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Japan

Tokyo Considering Expulsion of Iraqi Diplomats

OW2501122691 Tokyo KYODO in English 1151 GMT 25 Jan 91

[Text] Tokyo, Jan. 25 KYODO—Japan warned Iraq Friday that it cannot tolerate any Iraqi attack on Japanese military aircraft carrying out refugee evacuation duties in the Middle East, a Foreign Ministry spokesman said.

Foreign Ministry sources said that the government is now considering the possibility of expelling Iraqi diplomats from the country.

Spokesman Taizo Watanabe said Iraqi Ambassador to Japan Rashid al-Rifai was summoned to the Foreign Ministry by Makoto Watanabe, director general of the ministry's Middle Eastern and African Affairs Bureau. The Iraqi envoy was called to clarify reports that he implicitly threatened in a press conference Thursday that Iraq may attack Japanese Air Self-Defense Force transport aircraft sent to the Middle East to evacuate refugees.

"The Government of Japan cannot accept as legitimate any attack against these aircraft," the spokesman quoted Watanabe of the Middle Eastern and African Affairs Bureau as warning the envoy.

The spokesman said al-Rifai denied that he specifically referred to Japanese aircraft or aircraft evacuating refugees as potential targets. "The ambassador replied that he simply said that any military plane in the battlefield or within the theater of operation will be a military target," the spokesman said.

Meeting the press at the Iraqi Embassy Thursday, al-Rifai was asked to comment on a government announcement that Japan plans to send military transport aircraft to evacuate refugees, and said "any military vehicle will be a legitimate target."

The Foreign Ministry spokesman said al-Rifai was told Japan intends to use the SDF transport aircraft for a purely humanitarian purpose. "Those activities should not be interpreted as hostile against any countries," Middle East Affairs head Watanabe was quoted as saying. The spokesman would not commit himself to saying whether Japan was satisfied with the Iraqi envoy's explanation. He indicated that al-Rifai was not asked to define his reference to "theater of operation." Nor was the envoy quizzed on his remarks that Muslims may wish to attack U.S. interests the world over and that Japan's funding of the multinational forces makes it a "hostile country."

Al-Rifai said Thursday that the dispatch of ASDF planes "might be an alibi to get the Japanese army into the area."

"The present government has set the whole of Japan in a hostile position," he said. "From now on...(Japan) will be responsible for every drop of blood, every destruction that is caused in Iraq."

Foreign Ministry sources said that expulsion of Iraqi diplomats from the country is among the measures Japan is now considering in the wake of the threatening rhetoric and apparently Iraqi-inspired terrorist activity in some parts of the world.

Germany announced on Thursday that it has expelled 28 Iraqi diplomats. The United States and Britain have also announced similar measures.

Spokesman: Iraqi Envoy's Remarks 'Unfortunate'

OW2401153191 Tokyo KYODO in English 1419 GMT 24 Jan 91

[Text] Tokyo, Jan. 24 KYODO—Asked to comment on Al-Rifai's remarks that Japan's support for the multinational forces puts it in the category of "hostile" nations, Foreign Ministry spokesman Taizo Watanabe called them "unfortunate, if that is true."

"To assume that a nation which is acting in accordance with the United Nations is a hostile nation is something unfortunate," Watanabe told a meeting of foreign correspondents.

On the Iraqi envoy's implicit threat regarding Japanese military aircraft, Watanabe said that any dispatch of ASDF [Air Self-Defense Force] planes for refugee evacuation efforts would be a purely humanitarian operation. "They are not meant to inflict any unjustifiable damage upon any other nation," he said. "So to assume that those aircraft, be they ASDF or civil aircraft, are engaged in hostile activities against any country cannot be justified."

Amid Baghdad's call on Muslims everywhere in the world to strike out against Westerners and Western interests, the spokesman said, "we have alerted Japanese nationals all over the world as to possible terrorist danger."

One senior Foreign Ministry source indicated that if the Iraqi Embassy continues making threatening statements, the government may have to consider the possibility of taking some kind of action. The source did not specify what kind of action, but did not rule out a possible expulsion of diplomats.

Cabinet To Allow Gulf Dispatch of SDF Planes

OW2501064491 Tokyo KYODO in English 0611 GMT 25 Jan 91

[Text] Tokyo, Jan. 25 KYODO—The Japanese cabinet decided Friday to issue a provisional ordinance that would allow for the dispatch of Self-Defense Force [SDF] aircraft to the Middle East to evacuate refugees fleeing from the war-torn region, officials said.

The measure, part of Japan's program of contributions to the multinational effort in the Persian Gulf region to force Iraq to quit Kuwait, is expected to be promulgated and to take effect Monday, officials said.

Friday's decision will form the legal foundation for dispatch of five SDF C-130 transports to the Mideast and allow the Defense Agency to speed up its preparations for the evacuation.

The new ordinance will allow for the SDF, at the request of international organizations concerned with refugees, to transport and provide other support for refugees fleeing from Iraq, Kuwait and neighboring countries since the beginning of the Gulf crisis last August.

Opposition political parties, however, with the exception of the Democratic Socialist Party, continue to point to the contradiction that without Diet approval, there is no legal basis for the dispatch of the SDF overseas.

State Minister for Defense Yukihiko Ikeda told a press conference that sending the aircraft does not violate the Constitution, which bans Japan from using force as a means of settling international disputes and is also interpreted as barring it from joining collective defense efforts. Ikeda said Japan would send the planes from a purely humanitarian point of view and that the deployment has nothing to do with the use of force banned by the Constitution.

Gen. Akio Suzuki, chief of staff of the Air Self-Defense Force [ASDF], told reporters that his group has received an order to begin preparations to send the planes to the Mideast and that the preparations would be completed within two weeks. Suzuki said the ASDF would not fly the transports unless safety there is ensured. Crews may carry small guns to defend themselves, he said. Suzuki said that he does not expect the planes will receive defensive escorts from the U.S.-led coalition force. Iraqi ambassador to Japan Rashid al-Rifai said Thursday that any Japanese military aircraft sent to evacuate refugees will be subject to attack.

The cabinet decision is based on Article 100 of the SDF Law, which allows for the transport of "state guests and others," officials said.

Under the related cabinet ordinance, "state guests and others" are defined as the emperor and other members of the imperial family, state guests and other official guests, the speaker of the House of Representatives, the president of the House of Councillors, the supreme court chief justice and the prime minister.

Defense Agency sources indicated that one medical officer is likely to be included in the crew of each C-130 dispatched to the Mideast to attend to the medical needs of the refugees.

In previous operations, C-130s have been manned by a nine-member crew—three pilots, two navigators, two cabin personnel and two transport personnel. Agency officials reasoned that doctors will be needed on the transports for refugees who may be ailing or who become ill during the journey, the source said.

Advance Team To Prepare Way

OW2401145091 Tokyo KYODO in English 1300 GMT 24 Jan 91

[Text] Tokyo, Jan. 24 KYODO—A Japanese advance team will leave Tokyo on Friday for Cairo to prepare the way for the sending of military transport planes aimed at transporting refugees fleeing from the Persian Gulf war, officials said Thursday.

The team will comprise four air Self-Defense Force [SDF] officers, two Defense Agency officials and one from the National Police Agency.

Japan will send five C-130 transport planes, five teams of nine-member crews and a group of 150 maintenance staff to Egypt on the mission, the officials said. The U.S.-made C-130 transport is capable of carrying about 90 people each flight. It is not known when the C-130 transport planes will leave Japan. The planes will take four or five days to reach Cairo following several refueling stops, Defense Agency sources said.

The transports may stop at U.S. Air Force bases in the Philippines and Diego Garcia or civilian airports in Singapore, India and Oman, the sources said. The planes will shuttle between Cairo and Amman or Damascus, the sources said.

Airlines To Evacuate Vietnamese From Gulf Region

OW2401120791 Tokyo KYODO in English 1056 GMT 24 Jan 91

[Text] Tokyo, Jan. 24 KYODO - Japan will send four airliners to Cairo starting Friday to evacuate over 1,000 Vietnamese refugees from the Persian Gulf, Foreign Ministry officials said Thursday.

Officials said the first Boeing 747, belonging to Japan Airlines [JAL], will depart Tokyo on Friday on a regularly scheduled flight to Paris.

After depositing its paying passengers in the French capital, the plane will fly empty to Cairo as a chartered flight, linking up there Sunday with Vietnamese evacuees brought over by ferry from the Jordanian Red Sea Port of Aqaba.

Officials said the stopover in Cairo will be limited to four to five hours to keep down insurance costs. The Vietnamese will then be flown via Tokyo to Ho Chi Minh City, as Hanoi's runway is unable to accommodate jumbo jets. With little variation, a second flight will depart Tokyo on Saturday night, while the third and fourth flights will leave Monday. The planes used will be those of Japan Airlines Co. and All Nippon Airways Co. [ANA]

Officials could not say exactly how many Vietnamese will be on each Boeing 747, which can seat anywhere from 270-300 passengers. The planes may also accommodate several Filipino evacuees for the trip to Tokyo, they said.

With the number of Vietnamese fleeing Jordan increasing daily, it is anticipated that Japan will probably be transporting more than the 962 who were in refugee camps in Jordan before the war broke out. Officials said almost 1,000 more Vietnamese have arrived in Jordan over the past two days. They estimated there are another 2,000 to 3,000 remaining in Iraq. The Vietnamese had been employed there as guest workers. The funds needed for the project are to be paid out of Japan's contributions to the International Organzation for Migration (IOM).

Earlier in the day, the government got the endorsement of the ruling Liberal Democratic Party (LDP) to revise a cabinet ordinance to enable the Defense Agency to send military transport aircraft to the Middle East to evacuate refugees fleeing the Gulf war. Officials said the Defense Agency plans to assign five Air Self-Defense Force (ASDF) C-130 transport planes and some 200 ASDF personnel, including pilots and maintenance crew, to the refugee evacuation project.

Japanese police, as well as officials from the foreign and transport ministries, will be aboard the JAL and ANA flights to prevent hijacking or other terrorist incidents, Transport Ministry officials said.

National Police Agency [NPA] sources said about 10 police officers will be on each flight, although the NPA would not confirm that figure.

There will be no stewardesses on the refugee flights, both airlines said. JAL and ANA male managerial staff will serve as cabin crew instead.

The NPA said the danger of hijacking and other types of terrorism against U.S. and Japanese airliners has increased because of the outbreak of the war.

Reportage on Reaction to Gulf Aid Decision

Kaifu Telephones Bush

OW2401145991 Tokyo KYODO in English 1443 GMT 24 Jan 91

[Text] Tokyo, Jan. 24 KYODO—U.S. President George Bush told Japanese Prime Minister Toshiki Kaifu on Thursday that he is extremely grateful for Japan's new 9 billion dollar contribution to the U.S.-led multinational forces fighting Iraq.

In a telephone conversation with Kaifu, Bush promised to convey Japan's contribution to the American public and also predicted a warm welcome from the U.S. Congress, a Foreign Ministry official told reporters.

The Bush administration has been under pressure from Congress to drum up greater financial contributions toward the war effort from allies such as Japan, which depends on the Middle East for 70 percent of its oil.

Kaifu placed the call to explain his decision earlier in the day to provide new funds and to send military aircraft to the Middle East to help evacuate refugees.

Bush told Kaifu that Japan's offer to send military aircraft in addition to private civilian planes would be welcomed by both the United States and other allied nations.

In the 10-minute phone call, Kaifu expressed his condolences for airmen who have lost their lives in the week-old Persian Gulf war and said he hopes the conflict will be resolved as soon as possible.

The U.S. had formally asked Japan to consider a new contribution shortly after the multinational coalition attacked Iraqi positions last Thursday.

May Drop Combat Restrictions

OW2401150991 Tokyo KYODO in English 1421 GMT 24 Jan 91

[Text] Tokyo, Jan. 23 KYODO—Japanese Prime Minister Toshiki Kaifu offered an additional 9 billion dollars Thursday to assist the U.S.-led multinational forces in the Persian Gulf war effort, and indicated he is prepared to drop restrictions that have limited the money provided so far to noncombat purposes.

Japan will also dispatch military transport aircraft to the Middle East to help evacuate refugees fleeing the week-old war, despite threats from Iraq that it may shoot down the aircraft, the government said.

"Japan is joining together with many other countries to help restore peace in this region ... And there is no way we will be daunted by threats from Iraq," Deputy Chief Cabinet Secretary Nobuo Ishihara told a news conference.

Iraqi Ambassador to Tokyo Rashid al-Rifai warned at a news conference earlier in the day that the military planes would be subject to attack if they were dispatched on relief missions.

Kaifu, justifying the 9 billion dollar package, said that international stability and Japan's own existence could be threatened if the world does not stop military strongmen from taking over weaker countries.

"There will be pain, but I must ask the people to bear the burden," he told reporters after finalizing the plans in a series of meetings with his Security Council, the top decision-making body on defense, and leaders of the ruling Liberal Democratic Party.

The government will issue short-term deficit-financing bonds to pay for the additional financial assistance and is planning to raise oil related taxes to redeem the bonds, officials said. The cabinet has so far failed to agree on whether to revise tax laws—and, if so, how—to raise the money.

The latest contribution, coming less than a week after the United States requested more money, is the third such package announced by Japan since Iraq invaded Kuwait last August 2, and by far the most generous.

Japan provided 2 billion dollars to the 28-nation allied forces last fall, and pledged another 2 billion dollars in economic assistance to Egypt, Jordan, Turkey, and other countries hit hard by the conflict. The fresh decision brings Japan's total aid to the multinational forces in the Gulf and affected nations to 13 billion dollars. The latest moves mark a departure from decisions last fall to contribute only nonlethal aid, and to avoid involving Japan's Self-Defense Forces (SDF) in the conflict.

Asked whether the money would be used for ammunition and military supplies, Kaifu did not deny it and said the money would be allocated in consultation with the Gulf Cooperation Council, a regional organization of six oil-producing Gulf states.

Last fall the government made a point in announcing its 2 billion dollars in aid for the multilateral forces of limiting the money to financing noncombat supplies and transportation.

The additional 9 billion dollars represents 20 percent of the estimated cost of the allied war effort for three months, according to Mutsuki Kato, chairman of the LDP's Policy Affairs Research Council.

He said the decision to provide the aid was made in consideration of Japan's 70 percent dependence on oil from the Persian Gulf, and its 14 percent share of the world GNP.

If the war drags on beyond three months, Japan is prepared to provide more aid, Foreign Ministry spokesman Taizo Watanabe said.

The dispatch abroad of military aircraft will be Japan's first, except for training exercises, since the end of World War II. The country's postwar Constitution bars the use of force to resolve international disputes.

Last November, a government bill designed to send noncombatant SDF personnel to overseas trouble spots such as the Persian Gulf was abandoned under strong protests from the opposition parties and the public.

Kaifu told the Security Council session that the government decision to send SDF transport planes was made purely for nonmilitary purposes to achieve humanitarian aims. He said the decision "complies with the Constitutional spirit," citing its preamble which says, "We desire to occupy an honored placed in an international society striving for the preservation of peace, and the banishment of tyranny and slavery, oppression and intorerance for all time from the earth." The government has also chartered four civil airliners to fly to Cairo to help transport about 1,000 Vietnamese back home, officials said. The first plane is to head for Cairo over the weekend.

Analysts said the LDP was certain to face difficulties in winning opposition support in the Diet, or parliament, for revising tax laws to raise the new money. Whether Kaifu can orchestrate a majority in the opposition-controlled House of Councillors is likely to depend on the position of the Buddhist-affiliated Komeito, the second largest opposition party, they said.

If the LDP, Komeito and the Democratic Socialist Party [DSP] joined forces on the issue, they would have a solid majority in the upper chamber. The DSP supports the new aid.

The LDP and the Finance Ministry are considering issuing short- term national bonds to be financed through hikes in petroleum and corporate income taxes, officials said.

The government will compile another supplementary budget on the assistance and bills designed to revise related laws for submission to the Diet by the end of February, officials said.

Earlier in the day, Kaifu told the LDP's annual national meeting that Japan is "pursuing every possible option" to offer concrete support to restore peace in the Gulf, and that the Japanese people will bear the burden.

Government and LDP leaders failed, meanwhile, to resolve differences on a government plan to offer another 1 billion dollars in economic assistance to countries affected by the Gulf war.

Finance Minister Ryutaro Hashimoto objected to the fresh economic aid on the grounds that the 2 billion dollars pledged so far has yet to be fully used, government sources said.

Meanwhile, Foreign Ministry spokesman Watanabe denied that the latest package necessarily represents the sum total of Japan's financial contributions to the Gulf effort no matter how long the war might continue. "This is what has to be done at this moment," Watanabe said. "We just did not say anything like 'this is the total and no more,'" he said.

"We have just said that it is important for Japan to make a commitment at this moment and to try our best, as a responsible member of the international community, to do what we regard is to be done by Japan," he said.

Watanabe said the latest measures were decided "based on our strong belief that a sizable share of responsibility should be taken by Japan to meet the expectations of the international community."

"We also believe that it is important to commit this rather sizable amount of financial assistance at this time, when so many soldiers from the United States and other allied nations are fighting at the front, trying to realize the hope of the United Nations for peace," he said.

"Japan, a responsible member of the United Nations and major ally of the United States, should make utmost efforts within the limitations of various kinds to prevent the just and stable international order from collapsing," he said. "The possibility of those crew members carrying small firearms is currently being discussed," Watanabe said.

Appeals for Public Support

OW2501045091 Tokyo KYODO in English 0419 GMT 25 Jan 91

[Text] Tokyo, Jan. 25 KYODO—Prime Minister Toshiki Kaifu appealed Friday for public support for Japan's new 9 billion dollar contribution to the U.S.-led multilateral forces in the Persian Gulf, saying that without the donation Japan would face international isolation.

Kaifu, in a major policy speech before the Diet (parliament), also called on voters to support another government decision to send military planes to transport refugees fleeing from the Gulf war. The prime minister also pledged to press for the early conclusion of an international treaty on chemical weapons and controls on exports of other conventional weapons to help prevent the recurrence of conflicts like the current one in the Gulf.

Kaifu told the reopening of the 120th session of parliament that Japan's latest monetary contribution to the Gulf effort, announced Thursday, was a matter of due course given Japan's important position in the world and its international responsibilities.

"If we don't make the effort on our own, if we neglect (our responsibilities), then we will start walking the road of international isolation," Kaifu said. "We must by all means avoid this path," he said, urging the Japanese public to accept the burden.

The extra money, amounting to about 10,000 yen per person, is expected to be raised through tax hikes on items such as petroleum products, cigarettes and liquors.

Kaifu also pledged to offer as much assistance as possible to restore peace in the Middle East within the restrictions of Japan's war-renouncing Constitution, which bars the country from using force as a means of settling international disputes and is interpreted to also ban Japan from joining collective defense mechanisms.

Anticipating criticism of Thursday's decision to dispatch military planes to help evacuate war refugees, Kaifu said the mission would be strictly for humanitarian purposes. The Self-Defense Forces [SDF] planes are necessary because it would be unsuitable to dispatch private-sector aircraft to some regions of the Middle East, so the move is consistent with the basic concepts of the Constitution, he said without elaborating.

Last fall the parliament and the public rejected the participation of the Self-Defense Forces in the Gulf following a turbulant debate in the Diet.

The SDF aircraft are expected to be dispatched to Egypt and to shuttle between Cairo and Amman or Damascus to help evacuate some 110,000 Egyptian and Asian refugees fleeing the war.

Kaifu said he planned to continue a bid launched last fall to find a way for Japan to contribute personnel to international peace efforts.

A bill to establish a United Nations peace cooperation team was abandoned last fall in the face of stiff protests from opposition parties.

The ruling Liberal Democratic Party, the Buddhist-backed Komeito, and the Democratic Socialist Party have since agreed in principal to send nonmilitary personnel, but have failed to work out details.

Turning to Asia, Kaifu called for resolutions to the conflict in Cambodia and reduced tensions on the divided Korean peninsula.

Japan will keep in close contact with Seoul and Washington as it moves to establish normal relations with Pyongyang, he said, referring to the upcoming start of full-scale talks between Japan and North Korea aimed at establishing diplomatic ties. Japan and North Korea are scheduled to open such talks in Pyongyang on January 30.

Asks Citizenry To Bear Burden

OW2401060791 Tokyo KYODO in English 0530 GMT 24 Jan 91

[Text] Tokyo, Jan. 24 KYODO—Prime Minister Toshiki Kaifu called on the Japanese people Thursday to bear the pain of contributing to the U.S.-led multinational forces in the Persian Gulf.

Speaking before the 53rd National Convention of the ruling Liberal Democratic Party, Kaifu said Japan is "pursuing every possible option" to offer concrete support to restoring peace in the Gulf, and that the Japanese people would have to bear the burden.

The speech came shortly after the Government decided to contribute 9 billion dollars in fresh funds to the allied war effort to drive Iraq from Kuwait.

"We will ask the Japanese people to bear the burden of the assistance," Kaifu told the audience of 2,000 party dignitaries and rank-and-file members.

"This will be accompanied by hardship, but I want you to understand that this pain is the price of working together (with the international community)," he said.

The Government is considering increasing taxes on petroleum products and tobacco as possible ways to raise the money, which works out to about 10,000 yen for each Japanese.

The two-hour party congress closed after adopting a special resolution stating steadfast support for the multinational forces maneuvering to make Iraq withdraw from Kuwait.

"We will act in solidarity with the international community and offer our utmost support and cooperation to work for the early return of peace in the Gulf," the resolution said.

Nakayama Justifies Contributions

OW2501062891 Tokyo KYODO in English 0602 GMT 25 Jan 91

[Text] Tokyo, Jan. 25 KYODO—Japan could have become isolated internationally if it had not decided to extend financial and personnel support to the United Nations-sanctioned multinational forces now battling in the Persian Gulf, Foreign Minister Taro Nakayama said Friday.

"If our country did not exert our best in extending both financial support and personnel cooperation, it would be no exaggeration to say we could have been throwing ourselves onto a course toward isolation from the international community," Nakayama said in an address at the House of Representatives on the first day of the resumed Diet (parliament) session.

Nakayama was justifying the Japanese Government's initial extension of 2 billion dollars to the United States-led coalition of multinational forces and the government's decision on Thursday to extend an additional 9 billion dollars.

The government also hopes to dispatch its Air Self-Defense Force (ASDF) to the Middle East to evacuate refugees, though prospects for the realization of such an unprecedented move remain in question.

In an apparent attempt to counter criticism that Japan had been pressured by the U.S., Nakayama said that Japan had decided on the latest package of assistance "on our own." He explained it is extremely important for Japan as a major economic power to assist the multinational forces in enforcing U.N. resolutions sanctioning Iraq's expulsion from Kuwait.

The foreign minister noted that while Japan is constitutionally unable to directly participate in the multinational forces, it is the country most dependent on Middle East oil among the major industrialized economies. Countries less dependent on oil like the U.S. have put the lives of their citizens on the line and are undertaking a massive military operation despite their domestic economic difficulties, he said.

Nakayama called on Iraqi President Saddam Husayn to "make an urgent decision" to withdraw from Kuwait and thus bring the war to an early end. Even if such a withdrawal is realized, he said, international cooperation will be needed to help achieve long-term stability in the Middle East. He mentioned the need to address measures for economic reconstruction, security guarantees, and arms control. Nakayama also said that without a resolution to the Palestinian question, it will not be possible to achieve stability in the region. International efforts will have to be strengthened, he said.

Nakayama pointed out that the United States is the only country that can play a central role in ensuring international peace and stability during a crisis such as the one in the Gulf. He added that it is important for Japan to fulfill its international responsibilities and to play a role commensurate with its strength if Japan-U.S. relations are to be further consolidated in the future.

Expressing concern over the ramifications of the large trade imbalance that favors Japan, Nakayama noted that many Americans have come to view Japan's economic strength as a threat. He also noted the especially high expectations the United States places on Japan regarding the Gulf crisis.

Turning to Asia, Nakayama lauded improved relations with South Korea and said upcoming talks on the normalization of relations between Japan and North Korea are another sign of the changes sweeping the Asia-Pacific region following the dismantling of the cold war structure in Europe. He called for Japan's key relations with the members of the Association of Southeast Asian Nations (ASEAN) to encompass not only economic cooperation but also a dialogue and cooperation on a wide spectrum of regional issues.

Nakayama reiterated Japan's commitment to actively cooperate in Cambodia's reconstruction upon a peaceful settlement of the conflict there. Japan will also dispatch personnel to assist in U.N. operations there and help with refugee repatriation, he said.

The foreign minister called on China to maintain its open-door and reform policies and to play a constructive role in the world.

Nakayama said Japan and the Soviet Union must resolve their territorial dispute because good relations between the two countries are indispensable for ensuring prosperity and stability in the Asia- Pacific region.

On the deteriorating political and economic situation within the Soviet Union, Nakayama said Japan strongly hopes Moscow will rely on peaceful means to solve its problems and that it will maintain a course toward democratization and freedom. He said the recent use of force to quell opposition in the secessionist Baltic republics merits concern.

Civic Groups Oppose Decision

OW2401145391 Tokyo KYODO in English 1051 GMT 24 Jan 91

[Text] Tokyo, Jan. 24 KYODO—Japan's fresh announcement of an additional 9 billion dollar aid package for multinational forces fighting Iraq in the Persian Gulf war has met renewed opposition from various civic groups.

A group of families of student-soldiers killed during World War II released a statement advising against Japan's further involvement in the Gulf war and urged Japanese to make a bid not to go to war.

The additional 9 billion dollars will make Japan's financial contribution a total of 11 billion dollars in aid to the U.S.-led coalition against Iraq.

Teiko Kihira, vice president of the League of Women Voters of Japan, said the Japanese financial contribution was "military ODA" (official development assistance) designed to nullify the war-renouncing Constitution.

Also opposing Japan's contribution to the Gulf war, Kii Nakamura, vice chairwoman of the Japan Housewives' Association, criticized the additional aid, saying it means levying a new 10,000 yen tax on every Japanese citizen.

Kunio Nakano, the chief publicity officer of the Federation of Livelihood Cooperatives, said he was dumbfounded at the new Japanese move.

A Japan Tobacco Inc. official, whose company is reportedly being targeted as a source of finance for the additional aid, complained almost 60 percent of the cigarette price is already tax and the new tax measure would compel the company to raise prices. Japanese people as a whole should shoulder such a new financial burden, the official said.

No positive result will be produced by the additional Japanese financial contribution to the Gulf war since nations in the Arab world think extension of such money is the same as providing weapons, said Shigeru Aoki, representative of the Japan Taxpayers' Union. Instead of using tax money for the purpose of manslaughter, Japan should rather help Asian nations support the large infux of their nationals from the Middle East following a loss of jobs due to the conflict, said Aoki, the top adviser to the minor opposition party, the new salaryman party.

Itsuko Teraoka, a professor of household economy at Saitama University, likened the financial support of the Gulf War to the Vietnam war, saying that U.S. financial problems had triggered antiwar sentiment among Americans. She warned sustained Japanese financial contributions to the Gulf war would perpetuate the Gulf conflict. The aims of the new Japanese aid should be made clear, Teraoka said, proposing the government name the intended tax a war cooperation tax or the U.S. cooperation tax.

Upholding the government's commitment to the new aid for the allied operation against Iraq, journalist Eiko Oya and popular cartoonist Ryuzan Aki said Japan cannot refuse offering money or arms to end hostilities in the Gulf, due to Japanese presence in the international society and dependence on oil supplies and other economic factors. But, Oya said the government should clarify why Japan must offer financial assistance to the allied military action.

Business Leaders Support Call

OW2401101391 Tokyo KYODO in English 0839 GMT 24 Jan 91

[Text] Tokyo, Jan. 24 KYODO—Business leaders supported a government decision Thursday on additional contributions to support the allied forces engaged in military operations to oust Iraq from Kuwait.

The government announced Thursday it would provide an additional 9 billion dollars for the Gulf war and dispatch Self-Defense Force [SDF] aircraft to airlift refugees fleeing from war zones.

Takashi Ishihara, leader of the Association of Corporate Executives, described the government measures as a practical and appreciable step. Rokuro Ishikawa, president of the Japan Chamber of Commerce and Industry, said Japan should shoulder its share of the burden since it is barred from taking part in combat missions. Ishihara and Ishikawa supported the decision to provide Self-Defense Force transport planes to help refugees.

Sho Nasu, president of the Federation of Electric Power Companies, said it is natural for Japan to provide additional financial support for the multinational force fighting Iraq and urged the government to study various ways to raise the money, including increases in both direct and indirect taxes. As for the electric power industry, he said, it would not be able to raise electricity rates even if oil taxes are raised.

Eiji Suzuki, chairman of the Japan Federation of Employers' Associations, urged the government not to issue long-term deficit-covering national bonds. Suzuki supported a government plan to raise oil taxes to generate the money, but opposed corporate tax increases reportedly planned by the government.

Gaishi Hiraiwa, president of the Federation of Economic Organizations, told a news conference in Osaka the government should consider raising both corporate and income taxes. Japan should provide active support for the multinational force within the framework of the Constitution, he said, adding the government's plan to dispatch Self-Defense Force aircraft for noncombat missions in the Middle East would not violate the Constitution.

Osamu Suzuki, president of Suzuki Motor Co., said it is right that Japan shares the financial burden of the war as a member of the free world. He supported the government's idea of tax increases on oil and oil products, tobacco, liquor, and corporate earnings.

Yoshinari Yamashiro, president of NKK Corp., said at a news conference in Osaka that the government should try to cut its expenditure, including defense spending, to generate the necessary funds, and called for broad tax increases. Yamashiro called on the government to seek popular understanding of its decision to provide an additional contribution to the multinational force.

Bond market officials expressed hope that the government would be careful about the timing of the national bond issue to avoid turmoil in the market. They pointed to the possibility of the bond issue causing a market slump and said it would be difficult for the market to digest such a large amount of bonds.

Further on Additional Gulf Aid

OW2401063791 Tokyo KYODO in English 0512 GMT 24 Jan 91

[Text] Tokyo, Jan. 24 KYODO—The Government of Prime Minister Toshiki Kaifu on Thursday decided to provide 9 billion dollars (1.2 trillion yen) in fresh funds for the anti-Iraq multinational forces in the Persian Gulf, Chief Cabinet Secretary Misoji Sakamoto said.

The decision brings Japan's total contribution toward the multinational forces in the Gulf and affected nations to 13 billion dollars.

Prime Minister Toshiki Kaifu called on the Japanese people to accept the "pain" of the contribution. He told the annual national meeting of the ruling Liberal Democratic Party (LDP) that Japan is "pursuing every possible option" to offer concrete support to restore peace in the Gulf, and that the Japanese people would bear the burden.

Sakamoto said the leadership of the LDP endorsed the plan in a meeting Thursday morning with Kaifu and principal cabinet ministers.

The Government also got the endorsement of the LDP leadership to revise an ordinance to enable the Defense Agency to send military transport aircraft to the Middle East to evacuate refugees fleeing from the Gulf war.

The endorsement by the top LDP leadership clears the path for the Government to formalize the measures.

Japan has already provided 2 billion dollars to the 28-nation allied forces and pledged 2 billion dollars to the frontline nations whose economies have been worst affected by the crisis, especially Egypt, Jordan, and Turkey.

Sakamoto said the Government will summon a meeting of the cabinet task force on the Gulf crisis later in the day to ratify the government decision on the fresh financial contribution. The Government will also take legal measures to revise the ordinance at a regular cabinet meeting on Friday, he said.

The Government and LDP's top executives failed, however, to resolve a difference of view over a government plan to extend another 1 billion dollars in financial aid to help the economies of frontline nations hurt by the Gulf war.

Disagreement over additional economic aid, which is opposed by Finance Minister Ryutaro Hashimoto, delayed confirmation of the extra 9 billion dollars for the multinational forces, which was due to be announced Wednesday evening. Hashimoto objected to fresh economic aid on the grounds that the existing 2 billion dollar pledge has yet to be fully utilized, government sources said.

Kaifu plans to telephone U.S. President George Bush to convey the government decision on additional Japanese financial support for the allied forces, government officials said. The prime minister will also seek public understanding on the government decision and call on the nation to share costs needed for Japan's international contributions through upcoming debates at the Diet. The legislature resumes its session on Friday following the new year recess.

The government decision to provide the fresh funds comes only days after Japan received a formal request from U.S. Treasury Secretary Nicholas Brady to contribute additional funds to finance the allied war effort. Brady made the request in a meeting with Hashimoto in New York last Sunday when they were attending a meeting of finance ministers and central bankers of Group of Seven major economic powers, government officials said.

The swift government decision to provide fresh funds to the multinational forces is seen by political analysts as a move to stave off mounting criticism from the United States that Japan is not doing enough toward international efforts to drive Iraq from Kuwait. To raise the money for the additional contribution, the LDP and the Finance Ministry are considering the issuance of short-term national bonds to be financed primarily through the Petroleum Tax and Corporate Income Tax.

The Government plans to submit another supplementary budget for the current fiscal year, which ends on March 31, and related bills to the Diet next month, government sources said.

The Government decision to send Air Self-Defense Force [ASDF] transport planes to evacuate war refugees is part of Japan's "visible contribution" to the allied Gulf effort, government officials said.

Officials said the Defense Agency plans to assign five ASDF C-130 transport planes and some 200 ASDF personnel, including pilots and maintenance crews, to the refugee evacuation project.

The Government has also chartered four civilian airliners and will send them to Cairo to help take about 960 Vietnamese refugees trapped in the Middle East back to Vietnam, Sakamoto said. The first plane will head for Cairo Sunday, government officials said.

The issue of dispatching military transport aircraft and Self-Defense Force (SDF) personnel to the Gulf is expected to draw strong criticism from opposition parties, which have charged that it violates the Constitution.

Article 9 of the Constitution prohibits Japan from the use of force as a means of settling international disputes, and is widely interpreted to prohibit the SDF from being sent overseas.

Last November, a government bill designed to send SDF members to overseas trouble spots such as the Gulf in a noncombatant role was scrapped following strong objections by the opposition.

UNHCR Tokyo Office on Aid for Gulf Refugees

OW2501002991 Tokyo KYODO in English 1421 GMT 24 Jan 91

[Text] Tokyo, Jan. 24 KYODO—The Tokyo office of the United Nations High Commissioner for Refugees (UNHCR) said on Thursday the bill for relief supplies and transport costs for an estimated 400,000 refugees expected in countries bordering Iraq as a result of the Persian Gulf war will reach about 23 billion yen. The office outlined the costs as part of an overall plan for the repatriation of the refugees.

The UNHCR has already sent out an appeal for about 5 billion yen in initial expenses under the plan. Japan has promised to supply the full amount and about 10 other countries, including Denmark, Sweden, and the United States, have so far promised a total of about 2.5 billion yen.

The UNHCR said that by Tuesday, France, Morocco, Denmark and Norway had promised to supply funds for the charter of planes to transport the refugees.

Japan also decided on Thursday to supply civilian aircraft to transport about 1,000 Vietnamese stranded in the Middle East.

The UNHCR plan is based on a scenario involving Iran, Jordan, Syria and Turkey each absorbing about 100,000 refugees. At present, however, there is no noticeably large-scale exodus of refugees from the area.

Government 'Undecided' on Fundraising for Gulf Aid

OW2301181991 Tokyo KYODO in English 1209 GMT 23 Jan 91

[Text] Tokyo, Jan. 23 KYODO—Finance Minister Ryutaro Hashimoto said Wednesday the government was still undecided on ways to raise funds for Japan's additional contribution to the allied effort in the Persian Gulf war.

Hashimoto made the remark shortly after returning home from the United States earlier in the day after attending a meeting of the Group of Seven (G-7) major advanced industrial nations and talks with U.S. Government leaders, including President George Bush. He said a decision will require approval by the Diet and the government should listen to various opinions beforehand.

The Finance Ministry was reportedly planning to raise corporate and oil taxes while the ruling Liberal Democratic Party favors income and tobacco tax hikes.

Hashimoto declined to comment on how the Japanese fund to be offered to the multinational force would be used, saying it is a matter to be dealt with by officials in charge of foreign affairs.

Bonds, Increase in Taxes Possible

OW2301184191 Tokyo KYODO in English 1325 GMT 23 Jan 91

[Text] Tokyo, Jan. 23 KYODO—The Finance Ministry plans to issue discount government bonds with a maturity of two to three years to help pay for Japan's planned additional 9 billion dollar contribution to the multinational forces fighting Iraq, ministry sources said Wednesday. The ministry also is considering temporary tax increases for one to two years to cover the financial contribution, the sources said.

The Japanese Government may provide an additional 1 billion dollars in financial aid to frontline countries hard hit by the Persian Gulf war, Foreign Ministry sources said. The contributions are expected to be announced Thursday, the sources said.

The bonds will be issued as a stopgap measure until increased tax revenue arrives in the national coffers, the sources said. They said the ministry was still undecided on which taxes to raise.

The ministry is considering an increase in oil taxes, while calls for higher taxes on tobacco and corporate income are gaining ground within the ruling Liberal Democratic Party, they said.

Oil taxes are charged on crude imports, oil products and other energy sources and can easily be passed on to consumers of such products as gasoline, kerosene, and chemical goods. The tax rate on imported crude oil now stands at 2,040 yen per kiloliter.

Annual revenue from oil taxes would increase only 453 billion yen—about 3.5 billion dollars—even if the tax rates were doubled, and the ministry is considering raising the oil taxes for two years, starting in fiscal 1991, the sources said. They said the ministry also plans to issue a combination of two- year and three-year stopgap bonds for redemption in fiscal 1992 and 1993.

The sources said tax increases could be widened to cover tobacco sales and corporate earnings in order to enlist support from the opposition party Komeito, which is likely to cast the deciding vote on the issue in the Diet.

Petroleum Industry Objects to Gulf Aid Tax Plan

OW2101090391 Tokyo KYODO in English 0838 GMT 21 Jan 91

[Text] Tokyo, Jan. 21 KYODO—The petroleum industry raised objections Monday to a government plan to raise taxes on oil imports to secure funds for Japan's assistance to the U.S.-led multinational force warring with Iraq in the Persian Gulf.

Industry officials said the Japan Petroleum Industry Association has scheduled an extraordinary meeting for Wednesday to hear the views of member companies on the issue. The officials said the association plans a campaign to line up public support behind it.

The government's revenue from the taxes on oil and other energy resources is estimated at about 3.7 trillion yen in fiscal 1990, ending next March 31.

Sources in the ruling Liberal Democratic Party have said Japan may be prepared to raise an additional 1 trillion yen for contributions to the multinational alliance.

Japan has already pledged a total of 4 billion dollars in aid to the multinational force and frontline states affected by the Gulf conflict.

The oil industry sources said the burden of Japan's additional financial contribution should be shared by all industries.

If the Gulf war is defined as one for oil, Japan should bear almost all of the necessary costs of the hostility since the country heavily depends on oil imports from the region, the sources said.

Japan currently imports about 200 million kiloliters of crude oil annually. The oil tax now is set at 2.04 yen per liter.

A 2 yen hike in the tax would theoretically result in an increase of 400 billion yen in the government's revenue.

Oil Firms To Resume Imports From Saudi Port

OW2301182191 Tokyo KYODO in English 1622 GMT 23 Jan 91

[Text] Tokyo, Jan. 24 KYODO—Two Japanese oil companies will resume shipping crude oil from a Saudi Arabian port in a chartered Greek-registered tanker, officials at the Natural Resources and Energy Agency said Wednesday.

The officials said the oil importers will jointly load about 1.7 million barrels as soon as later this week from Ra's Tannurah, a Saudi Arabian port in the Persian Gulf. The names of the two companies were not immediately available.

Saudi Arabia has no shuttle service like those operated by Iran and Qatar, which are transporting their crude outside the western Persian Gulf for Japanese shippers.

Officials at the agency, affiliated with the Ministry of International Trade and Industry (MITI), also said Kashima Oil Co. will load 300,000 barrels of crude on January 29 from Yanbu' al-Bahr, a Saudi Arabian port facing the Red Sea.

Ports on the Red Sea are not directly affected by the Persian Gulf conflict, but are farther from Japan, raising shipping costs.

These shipments, they said, will bring to 22 million barrels the crude volume Japan will have loaded in January, against the originally planned 25 million barrels.

Meanwhile, Japanese shippers decided earlier in the day to resume operations to the Qatar ports of Umm Sa'id and Doha. The ports are west of 52 degrees longitude, a line Japanese shippers had agreed not to send Japanese sailors across in the Gulf.

The restriction was adopted in domestic management-labor talks last week to protect Japanese seamen from the fighting in the Gulf. The decision is based on the perception that the Qatar ports, far from Kuwait, are relatively free of the war, they said.

Although Ra's Tannurah is also west of the 52 degree line, the Greek-registered tanker calling there has no Japanese crew members, sources said.

Finance Minister Pledges 'Flexible' Policies

OW2501055291 Tokyo KYODO in English 0525 GMT 25 Jan 91

[Text] Tokyo, Jan. 25 KYODO—Finance Minister Ryutaro Hashimoto, speaking before the Diet, said Friday that Japan will continue to pursue flexible fiscal and monetary policies to achieve sustained growth while watching prices carefully to ward off inflation.

Hashimoto said the nation's economy remains on an expansionary track led by strong domestic demand with prices relatively stable, but warned of the danger of inflationary pressures from the tightening labor market and volatile movements in oil prices.

In a speech on fiscal and monetary policies made at the opening day of the 120th plenary session, Hashimoto also emphasized the need for policy coordination with other major industrial nations to ensure stability in exchange rates. "We'll maintain stability in foreign exchange markets through policy coordination with major industrial nations," he said, without elaborating further on the matter.

Turning to the extra 9 billion dollars pledged by Japan to U.S.- led forces allied against Iraq, Hashimoto said the government will issue bonds to help finance the additional aid as a temporary measure until the money is eventually covered by tax revenues. "We have to ask for burden-sharing among the nation. It will come with pain, but we have to seek the nation's understanding and collaboration," he said.

On a new land holding tax proposed by the government and ruling Liberal Democratic Party [LDP], Hashimoto said the new tax is of significant importance in promoting the efficient use of land. The new tax, part of a package of tax reforms drafted by the LDP's panel on taxation, is designed to hold down Japan's excessively high land prices and will take effect in 1992. But opposition parties and critics say the new tax has been watered down as the proposed tax rate is well below one initially proposed by the government's advisory panel on taxation.

In other remarks relating to land prices, Hashimoto said the Finance Ministry will remain opposed to lending by banks and other financial institutions for speculative deals involving real estate. The Finance Ministry last year instructed financial institutions to hold down growth in loans to real estate investments in a bid to contain real estate inflation.

In reference to financial reforms at home, Hashimoto said there has been steady progress in relaxing controls on deposit rates with a view to eventually removing regulations on time deposit rates, and added that eliminating rate controls on demand deposits and other liquid deposits is also under consideration.

Hashimoto, moving on to other financial reform issues, said that several measures had been taken to increase transparency in stock trading, including new public disclosure rules on stock ownership and rules designed to prevent insider trading. After citing these developments, Hashimoto promised to go ahead with liberalization and internationalization of the financial markets while maintaining sound management at financial institutions.

Hashimoto, giving a briefing on the 70.3 trillion yen fiscal 1991 budget proposed by the government, said the spending plan is intended to improve living standards with more emphasis on public spending.

Mongolia

Free Labor Party Chief Remarks on Price Reform

OW2501035391 Ulaanbaatar MONTSAME in Russian 1443 GMT 23 Jan 91

[Text] Ulaanbaatar, 23 Jan (MONTSAME)—C. Dul, leader of the Free Labor Party (FLP) has called the recent decision by the MPR [Mongolian People's Republic] Government to reform the price formation system the beginning of decisive steps toward (?implementing) a market economy. At the same time, he notes that the government "must engage in the coordination of key issues related to a transfer to a market economy. However, the new government decision sets state interests against the interests of the population and sacrifices the latter."

In his opinion, this government decision goes against provisions of the Constitution, the law on cooperatives, the law on enterprises, and the law on taxes. "Realization of the decision has already begun. However, certain [words indistinct] ought to be included in it. Although we did (?not) adopt this decision, we hope that it is not too late to review it," C. Dul said.

He also supported the establishment of a government service that would maintain permanent contacts with political parties in order to take their views into consideration when adopting fundamental decisions.

Newspapers Report Foreign Relations, Development

OW2401002991 Ulaanbaatar MONTSAME in Russian 1435 GMT 21 Jan 91

[Text] Ulaanbaatar, 21 Jan (MONTSAME)—The first edition of the new newspaper HUN DZAYAA (HUMAN DESTINY) is devoted to the official visit of P. Ochirbat, president of the MPR [Mongolian People's Republic], to the United States, which is just beginning. It carries materials on the question of the current and prospective development of Mongolian-U.S. relations. According to its publishers, it is issued by the "Monoekohomolog" Center and future issues will deal with questions of Mongolian-Soviet, Mongolian- British, Mongolian-Indian, and Mongolian-Japanese relations.

Studies and popularization of the problems of interrelationships on planet earth and the close links between mankind, nature, and space are the main aims of the activities of the Ulaanbaatar "Monoekohomolog" Center, which was established early last year. These aforementioned global problems will be the main topic of material in the newspaper HUN DZAYAA.

The "Monoekohomolog" Center also publishes another newspaper under the title MONGOL DZAYAA (MONGOLIAN DESTINY). As can be seen from the editorial article in the first edition of the newspaper, it will promote Mongolia's revival through its publications.

Observers note that the newspaper boom in the MPR will continue this year. According to unofficial data, nearly 40 new newspapers have appeared in Ulaanbaatar alone.

North Korea

Discontinuation of Team Spirit Exercise Demanded

SK2401052391 Pyongyang Domestic Service in Korean 0023 GMT 23 Jan 91

[NODONG SINMUN 23 January commentary: "A Dangerous Attempt Threatening Peace"]

[Text] The U.S. imperialists and the South Korean puppet clique are briskly on the move to conduct the "Team Spirit-91" joint military exercise.

According to radio news from South Korea, the United States and the South Korean ruling bunch have agreed to conduct the "Team Spirit-91" joint military exercise from 23 January through the end of April. The news report said that not only U.S. troops occupying South Korea and the puppet army, but also the U.S. imperialist forces of aggression based in the continental United States and bases abroad are to take part in the current exercise, that an order for launching the exercise will be issued shortly, and an operation of airlifting the troops will also begin soon.

Since it was agreed at the 22d annual U.S.-South Korean security consultative meeting held last year to continue the "Team Spirit" joint military exercise, it was a matter of common knowledge that they would conduct this exercise this year.

However, even at that time the U.S. imperialists and the puppets advertised as if they had the intention of revising the plan for the exercise out of consideration for things like North-South dialogue. It was, however, the bellicose elements's deceptive scheme designed to deceive public opinion and there will be no change at all.

As in the past years, the aggression forces from the continental United States are again to participate in the planned exercise. Given the fact that the exercise will begin on 24 January and last until the end of April, there is no change at all even in the period of the exercise.

It is publicly known to the world that the "Team Spirit" joint military exercise is a preliminary war and a nuclear test war aimed at invading the northern half of the Republic. The U.S. imperialists and the puppets' attempt to play this dangerous game this year again is an intolerable criminal act that will aggravate tensions on the Korean peninsula even further and bring the situation to a dangerous phase, edging it toward the brink of war.

As is known, we strongly called on the South side to agree on adopting a nonaggression declaration and stop the "Team Spirit" joint military exercise as well when, at the outset of this year, we were putting forward a proposal for guaranteeing peace on the Korean Peninsula and providing the peaceful preconditions for national reunification. We even put forward a new proposal for negotiations to finalize the ways of reunifying the country.

The fourth round of the North-South High-Level Talks scheduled to be held in Pyongyang is also approaching.

If the United States and the South Korean authorities are interested in North-South dialogue, peace in Korea, and the reunification question, they should take measures to stop the "Team Spirit" joint military exercise this year, as a matter of course. They know it very well that these exercises in the past had aggravated tensions and halted North-South dialogue abruptly.

This notwithstanding, the U.S. imperialists and the No Tae-u ring are trying to conduct the "Team Spirit" joint military exercise this year by all means. This proves that they are insincere about the North-South dialogue and are only inclined to lay new obstacles to the road of talks for peace and reunification.

What attracts our attention is that a large-scale "Team Spirit" joint military exercise is about to be launched at a time when the No Tae-u ring, under the control of the U.S. imperialists, declared an emergency war foothold in the wake of the war in the Gulf by linking it with us, while artificially straining the situation.

News reports from South Korea did not hide the fact that, timed to coincide with the war in the Gulf, the U.S. forces occupying South Korea and the puppet army were placed on a posture of going into action for northward invasion. If, at such a time, they reek of powder of a nuclear war exercise with forces flown even from the continental United States, what will become of the situation on the Korean peninsula?

The U.S. imperialists and the No Tae-u ring babble about the nonexistent possibility of somebody provoking a southward invasion. This indicates that the U.S. imperialists and the puppets, after massing the troops under the pretext of the "Team Spirit" joint military exercise, are about to light the fuse of a war of northward invasion on the Korean peninsula by cooking up an excuse.

The game of playing with fire that the U.S. imperialists and the South Korean puppets are determined to start cannot go unnoticed in view of the fact that it also hurts the cause of democratizing the South Korean society.

Elections of the local autonomous assemblies are scheduled to be held in the spring in South Korea and the U.S. imperialists and the No Tae-u ring plan to conduct the "Team Spirit" joint military exercise at the same time as these elections. This cannot be construed otherwise than as a deliberate scheme to threaten the popular masses calling for fair elections with the fascist bayonet and powder-reeking war exercise and to pave the way for the fascist military group's prolonged stay in power.

There is no question that the "Team Spirit-91" joint military exercise to be conducted by the U.S. imperialists and the No Tae-u ring can not only lead the North-South dialogue to grave consequences, but also bring about such great national disasters as the strengthened fascist military dictatorship in South Korea and a war of northward invasion.

Our people in the North and the South will watch the U.S. imperialists and the No Tae-u ring's reckless game of playing with fire, with a high degree of vigilance.

The U.S. imperialists and the No Tae-u ring should take steps to stop the "Team Spirit" joint military exercise even at this moment. If they conduct the military exercise by all means in defiance of our warnings and lead it to a war of northward invasion, they will be held responsible for all the consequences arising therefrom.

Paper Views 'Team Spirit'

SK2401060691 Pyongyang KCNA in English 0513 GMT 24 Jan 91

["Act of Aggravating Situation"—KCNA headline]

[Text] Pyongyang January 24 (KCNA)—The decision of the U.S. imperialists and South Korean authorities to stage "Team Spirit" joint military exercises from January 24 to the end of April is a criminal move to disturb peace on the Korean peninsula and bring the situation to a higher pitch of strain, leading it to a grave phase, says MINJU CHOSON in a commentary today.

The news analyst says:

The U.S. imperialists and the South Korean authorities, far from showing an affirmative response to our peace overture, intend to stage the "Team Spirit" joint manoeuvres, come what may. This is an open challenge to us who are making every sincere effort for peace of the country and its peaceful reunification.

It goes without saying that the "Team Spirit" will seriously affect the relations and dialogue between the North and the South.

It is clear that we cannot have a sincere dialogue with those who fire guns and rifles at the dialogue partner and such dialogue can bring no good result, even if it is held.

The U.S. imperialists plan to stage the "Team Spirit" together with the puppets with the mobilization of huge forces and military equipment though they have hurled vast Armed Forces into the Gulf war. This proves that they still have the aggressive stronghold for executing their Asian strategy on the Korean peninsula and keep it as the focal point.

All the facts suggest that the U.S. imperialists and the South Korean authorities may unleash another war in Korea any moment, seeking a way out of the crisis of the colonial fascist rule in North-South confrontation and aggravation of tension.

The U.S. imperialists and the South Korean authorities should give up their anachronistic policy of strength, act with discretion and discontinue the reckless play with fire which seriously affects the North-South dialogue and impedes peace of the country and its peaceful reunification.

Suspension of Exercise Urged

SK2401122991 Pyongyang Domestic Service in Korean 1150 GMT 23 Jan 91

[Commentary by station commentator Chong Pong-kil: "Team Spirit-91 War Exercise Must be Suspended]

[Text] In defiance of strong protest and the denunciation of people at home and abroad, the U.S. imperialists and the South Korean puppets have decided to stage the Team Spirit-91 joint military exercise from 24 January to the end of April.

According to reports, the upcoming war exercise will start when the armed forces begin to be transported from the U.S. mainland to South Korea and are deployed there. The U.S. imperialist aggressor forces in South Korea, the puppet army, and U.S. troops in the U.S. mainland and overseas bases, will participate in this exercise.

The decision of the U.S. imperialists and the South Korean puppets to again stage the Team Spirit war exercise is a criminal act to further aggravate tension and lead the situation to the brink of war. This is an act which should not ever be pardoned, and an atrocious challenge to the people at home and abroad who want peace and peaceful reunification of the Korean peninsula.

As everybody knows, today an extremely dangerous situation prevails on the Korean peninsula. While talking about the possibility of someone else's provocation in the wake of the Gulf war, the South Korean puppets declared an emergency wartime posture under the U.S. imperialists' manipulation. They are running wild, claiming that they should cope with unexpected events.

Officers above company commander-level are placed on alert, and the U.S. Armed Forces in South Korea and the puppet army troops have assumed a combat posture so as to be mobilized at any moment in the northward war of aggression.

Timed to coincide with this, the U.S. imperialists and the puppets are conducting provocative war exercises on the ground, in the air and on the sea of South Korea. These war exercises and their hostile act are driving the situation to a more dangerous level. In actuality, an acutely precarious situation prevails. At this very time, the U.S. imperialists and the South Korean puppets decided to stage the Team Spirit-91 joint military exercise. This clearly shows that after dragging numerous forces of aggression into South Korea from overseas on the pretext of military exercise and having them assemble, the U.S. imperialists and the South Korean puppets are attempting to trigger the northward war of aggression by cooking up an excuse.

Pretending that they are interested in North-South dialogue and the reunification issue, the U.S. imperialists and the South Korean puppets are loudly talking about reduction of scale and so forth. This is indeed ridiculous.

At the beginning of this year, we already put forward the proposal for ensuring peace on the Korean peninsula and providing peaceful conditions for national reunification. We called on the South side to respond to adopting a nonaggression declaration and to suspend the Team

Spirit joint military exercise. Besides, the North-South High-Level Talks, which began last year to eliminate political and military confrontation, are under way.

If the U.S. imperialists and the South Korean authorities are truly interested in North-South dialogue and in reunification, they should learn a lesson from the fact that dialogue held in the past was suddenly broken off due to the Team Spirit joint military exercise, and should discontinue this exercise which creates obstacles to dialogue.

The rascals' remarks about reduction of scale and so forth on the pretext of North-South dialogue are an act admitting the fact that the Team Spirit joint military exercise itself worked as a hindrance to dialogue.

Nevertheless, they have finally decided to stage the Team Spirit- 91 joint military exercise. This shows that the rascals do not want North-South dialogue and peace on the Korean peninsula but are pursuing only provocation of the northward war of aggression.

It is also a shameless trick that the U.S. imperialists and the puppets are describing the Team Spirit-91 joint military exercise as a so-called defensive training. In view of its nature and content of training and of the scale of troops and equipment to be mobilized, the Team Spirit-91 joint military exercise is clearly a preliminary war designed for northward aggression and a test nuclear war.

This is a fact acknowledged by the entire world, and this is why a broad range of peaceloving people of the world are expressing great concern with this war exercise. The remarks of the U.S. imperialists and the puppets about defensive training and so forth are designed to conceal their aggressive and criminal nature and to mislead public opinion.

The rascals cannot conceal the dangerous nature of the Team Spirit joint military exercise and their criminal attempt with any sophistry. The U.S. imperialists and the puppets should give up the adventurous Team Spirit-91 joint military exercise which leads the situation on the Korean peninsula to the brink of war.

If they drive the situation to unpredictability by finally staging the war exercise in defiance of our repeated warnings, the rascals will be subject to greater denunciation and rejection of the people at home and abroad.

Joint Aerial Strikes Reported, Denounced

SK2201050491 Pyongyang KCNA in English 0441 GMT 22 Jan 91

["Provocative Ground and Aerial Military Exercises"—KCNA headline]

[Text] Pyongyang January 22 (KCNA)—The U.S. Pacific Airforce Command sent formations of F-4 fighter bombers based in Clark, the Philippines, on January 19 to the sky above Wonju, Pyongchang and other areas of South Korea, to stage a long-time joint aerial striking exercise in coordination with F-16, F-5 and A-37 planes belonging to the U.S. Seventh Airforce stationed in South Korea and the puppet airforce, according to military sources.

A total of 130 planes were mobilized in it.

On the same day, the U.S. imperialists sent formations of AV-8 VTOL [Vertical Take Off and Landing] assault planes based in Iwakuni, Japan, to the sky above Chungju and Sangdong and feverishly staged a joint ground striking exercise with the support of formations of F-16, F-5 and A-37 fighter bombers and assault planes of their airforce in South Korea and the puppet airforce. And they brought formations of C-130 transport planes based in Yokoda, Japan carrying a huge amount of combat equipment to the Osan and Kunsan Airforce Bases.

Earlier, on January 18, the South Korean puppets sent many motorized and infantry units to Sachon, Uijongbu, Pochon and Kapyong areas and staged a ground attack operational exercise, backed by F-16, F-5 and A-37 planes.

From around 07:00 to around 12:00 January 20, the U.S. imperialists let the U-2 high-altitude strategic reconnaissance plane make a shuttle flight between East and West along the military demarcation line for an intensive aerial espionage on the objects in the depth of the northern half of Korea.

This shows that the U.S. imperialists and their stooges are premeditatedly scheming to render the situation of the Korean peninsula strained.

Paper Condemns Dispatch of South Medical Team

SK2401055691 Pyongyang KCNA in English 0458 GMT 24 Jan 91

["Criminal Act of Driving Fellow Countrymen Into Death"—KCNA headline]

[Text] Pyongyang January 24 (KCNA)—NODONG SINMUN in a commentary today condemns the dispatch of "a military medical team" to the Gulf war by the South Korean authorities as an unpardonable treacherous act of killing fellow countrymen by sending them to the battlefields for the U.S. imperialists and as a despicable sycophant and treacherous act of complying with the U.S. demand.

Recalling that the No Tae-u ruling quarters railroaded "a motion" on the dispatch of a "military medical team" to the Gulf war through the puppet extraordinary National Assembly session on January 21 and made it leave for the destination on January 23, the news analyst says:

Thus, the South Korean authorities have taken the criminal road of getting directly involved in the Gulf war unleashed by the U.S. imperialists.

When the Gulf war broke out No Tae-u manifested "full support" to the U.S. imperialists who lighted the train of the war, and flattered his masters with a vow to render positive "support" to military operations of the U.S. forces.

But this is not the whole story. The South Korean authorities had offered a colossal amount of dollars to the United States as fund for the Gulf war and now blare that they would give "additional support" if their master demanded more.

This vividly shows that No's is a group of mean colonial stooges, despicable colonial war servants who stoop to any infamy if it is demanded by the U.S. imperialists, regardless of the national interests, and do not hesitate even to offer fellow countrymen as cannon fodder to the U.S. imperialists.

The South Korean authorities are going to repeat the indelible crime they had committed against the nation and the world's peaceloving people by offering puppet troops to the U.S. imperialists as bullet shields, complying with the latter's demand, already at the time of their war of aggression on Vietnam.

And it is a fact that the No Tae-u ruling group is openly revealing its intention to send combat troops to the Gulf unhesitatingly, if the United States demands it.

Its hideous criminal act of acting a war servant of the U.S. imperialists and driving fellow countrymen to shambles of war will bump into curses and condemnations from all the fellow countrymen and the world's peaceloving people.

Compensation for Team Criticized

SK2401112391 Pyongyang KCNA in English 0959 GMT 24 Jan 91

[Text] Pyongyang January 24 (KCNA)—The South Korean authorities allotted 4,610 million won, nearly half of the annual "special budget" needed for the "military medical team" dispatched to the Gulf, as "compensation for the war dead," Seoul-based radio No. 1 reported.

Their loud advertisement of a "special budget" of which "compensation for the war dead" holds a big share shows that the authorities are working hard to put the lives of young and middle-aged South Koreans on the altar of the Gulf war started by the U.S. imperialists.

This rash act is an intolerable insult to the dignity of the nation and treachery that will never be pardoned.

Insurance Company Clerk From South Defects

SK2501101591 Pyongyang KCNA in English 1000 GMT 25 Jan 91

[Text] Pyongyang January 25 (KCNA)—South Korean young man Kang Tae-song, 29, a clerk of the Kangjin County Medical Insurance Company, came over to the northern half of Korea, breaking with the U.S. imperialist colonial rule.

His home village is Songchon-ri, Sinjon-myon, Kangjin County, South Cholla Province.

Explaining the motive of his defection, he said that he had sought a way of coming over to the North from a few years ago, disillusioned about the South Korean society, a complete colony of the U.S. imperialists, where the gap between the rich and the poor is getting ever wider.

He said he cannot repress his yearnings for the North and wanted to slip away as early as possible from the land of South unfit for human habitation after he learned from his friends and Koreans overseas that all the people in the North lead an equitable life, enjoying treatment worthy of humanity, under the chuche-based politics of the great leader Marshal Kim Il-song and the dear leader Mr. Kim Chong-il.

Availing himself of his foreign trip, he determinedly came over to the North, he said, and stressed: I feel great joy, having been embraced in the bosom of the Democratic People's Republic of Korea.

South People Reportedly Praising Kim Chong-il

SK2401112591 Pyongyang KCNA in English 1001 GMT 24 Jan 91

[Text] Pyongyang January 24 (KCNA)—South Korean people ardently revere dear Comrade Kim Chong-il as the successor to the revolutionary case of chuche.

A professor in Seoul said at an ideological circle of students:

It is a crucial matter related to the destiny of the nation to hand down to the posterity and glorify the undying feats performed by President Kim Il-song.

It is a good fortune for the nation to hold the sagacious leader Mr. Kim Chong-il in high esteem as the successor to President Kim Il-song.

A student Kim told a gathering at a university in Seoul that "the dear leader Mr. Kim Chong-il is the greatest man who is proficient in ideology and theory and well versed in leadership and he is an outstanding hero with rare insight and noble virtues. The prospect of our nation is bright with Mr. Kim Chong-il held in high esteem as the successor to the revolutionary cause of General Kim Il-song."

Seoul resident who had visited Pyongyang as a member of the home-town visiting group told his colleague:

Mr. Kim Chong-il is the master of ideology and theory with an intelligible idea of national identity, a genius of leadership for the people and the greatest sage possessed of intelligence, perfect virtues and courage.

Bright is the prospect of our nation guided by Mr. Kim Chong-il.

SKNDF Blames South for 'Strained' Relations

SK2101111791 Pyongyang KCNA in English 1026 GMT 21 Jan 91

["Hanminjon (SKNDF) Denounces No Tae-u "Regime" for Rendering North-South Situation Strained Under the Pretext of Gulf War"—KCNA headline]

[Text] Pyongyang January 21 (KCNA)—The Central Committee of the South Korean National Democratic Front (Hanminjon) [SKNDF] released a statement on January 19 calling on the people of all walks of life to look straight at the No "regime's" anti-reunification, anti-national moves to use the Gulf war in aggravating the situation between the North and the South and intensifying the fascist suppression, and vigorously wage the anti-U.S., anti-war and anti-No Tae-uo struggle, according to Radio Voice of National Salvation.

The statement says:

The Traitor No Tae-u has extolled to the skies the U.S. imperialist aggressors who unleashed a war in the Gulf region and, contrary to the fellow countrymen's aspiration, is zealously following them. This is an unpardonable treacherous act, the statement notes, and stresses:

As for the Gulf war, it is an armed invasion of larger scale which was started by the U.S. imperialists in a bid to establish a permanent domination over the Middle East under the pretext of opposing aggression.

This notwithstanding, the traitor No had zealously given support to the U.S.-led multinational forces, squandering a colossal amount of treasury fund raised with blood taxes from the people even before the Gulf war broke out.

Now he does not hesitate in the criminal act of putting many young and middle-aged persons alter of the U. S. imperialists' war under the name of military medical team. [sentence as received]

Worse still, the No Tae-u group declared that it is ready to dispatch a combat force in case the Gulf war is protracted in the future, thus stripping itself naked once again to reveal its true color as a despicable war servant of the U.S. imperialists and as a heinous colonial stooge.

Noting that the traitor No Tae-u is kicking up a hysteric repressive row on the plea of the Gulf war, the statement says:

The No Tae-u military fascist bandits are directing the sharp edge of the spearhead of their fascist suppression to the pro-reunification, democratic forces to suppress and stifle them and are committing in a very vicious manner search, watch, shadow and arrest of students and those who are related with the labour movement.

This is vivid proof that the traitor No Tae-u is abusing the Gulf war in bridging over his power crisis and maintaining and prolonging the one-party dictatorship of the "Democratic Liberal Party".

It is another unpardonable crime against the nation and reunification for the No Tae-u traitor group to establish a wartime posture, hurling slanders at the North, and to increase the tensions between the North and the South, with the outbreak of the Gulf War.

The North has consistently called for removing the political and military confrontation and adopting a nonaggression declaration between the North and the South.

The No Tae-u group, however, has accepted none of the North's proposals for peace and peaceful reunification and even refused to take over a letter from the North containing the proposal for the convocation of a political consultative conference for national reunification.

What cannot be overlooked is that the No Tae-u group is shortly going to stage "Team Spirit 91" joint military maneuvers with the U.S. imperialists.

The No Tae-u "government" must not dream of war and "unification by prevailing over communism" at the instigation of the United States but adopt a nonaggression declaration between the North and the South as proposed by the North and take the line of detente, not tension.

South Churches Oppose Deploying 'Combat Units'

SK2001083191 Pyongyang KCNA in English 0810 GMT 20 Jan 91

[Text] Pyongyang January 20 (KCNA)—The Korean Christian Council of Churches in South Korea in a statement Saturday declared its decisive opposition to the dispatch of combat units of the puppet army to the Gulf, according to a radio report from Seoul.

In the statement it said there must not be such a development as suppressing the desire of people for reunification under the pretext of the Gulf war.

Reunification by Confederation Called 'Realistic'

SK2101104991 Pyongyang KCNA in English 1000 GMT 21 Jan 91

["Reunification by Means of Confederation Is Most Realistic Way of Reunification Common to Nation"—KCNA headline]

[Text] Pyongyang January 21 (KCNA)—NODONG SINMUN today comes out with a by-lined article entitled "Reunification by Means of Confederation Is Most Realistic Way of Reunification Common to Nation."

It quotes the great leader Comrade Kim Il-song as teaching:

"Reunification by means of confederation on the basis of one nation, one state, two systems and two governments is the great principle of defining the method of national reunification suited to the present situation in our country."

The great principle of defining the method of national reunification newly formulated by the great leader serves as a valuable guideline and inspiring banner indicating a short cut to the solution of the reunification question.

To reunify the country by means of confederation is the only correct method of reunification reflecting the specific conditions of the country.

Different ideas and systems exist in the North and South of Korea. It has been kept, fixed and consolidated nearly for half a century since the division of the country and neither the North nor the South wants to give up its idea and system.

Under this condition, the question of national reunification should be resolved on the principle of letting the different ideas and systems coexist in one reunified state, with priority given to the nation.

If one side absolutize [as received] its idea and system or try to force them to the other, it will only give rise to confrontation and conflict and result in further deepening the division of the country.

Even though different systems exist in the North and South, there was and is no change in the commonness of the nation. They remain nationally homogeneous.

The Korean nation will surely be reunified and the different systems of the North and South will certainly coexist in the framework of one nation and one reunified state if it bases itself on its commonness which has been preserved through history.

Reunification by means of confederation is the quickest way for resolving the national reunification question in keeping with the national demands and interest.

This method of reunification means to achieve reunification by establishing one national state over the different systems and governments in the North and South, leaving them as they are.

So, the interests of neither side are violated and there is no need to fight each other.

The reunification by means of confederation allowing two systems and two governments based on one nation and one state is of great significance in achieving the cause of national reunification peacefully, quickly and smoothly.

We have already put forward the proposal to found a democratic confederal republic of Koryo [DCRK] by applying the great principle of defining the way of national reunification.

We are convinced that our proposal for founding the DCRK shows the most fair and aboveboard method of reunification common to the nation which can be the basis of national agreement and are making sincere efforts for its realization.

Whether the reunification by means of confederation is realized or not in our country depends, after all, on the attitude of the South Korean authorities.

Ambassador to Tanzania on Reunification Efforts

EA1901133891 Dar es Salaam Domestic Service in Swahili 0700 GMT 19 Jan 91

[Excerpt] Dar es Salaam—The DPRK has asked South Korea to participate in a joint meeting on the reunification of the two Koreas, on 15 August, in Pyongyang. The DPRK ambassador in the country, Mr. Chong Nam-ho told reporters in Dar es Salaam that efforts should be redoubled so as to hasten the reunification of the two countries. He said that so far, South Korea has not issued any statement concerning the proposal. The ambassador said that the aim of the meeting is to reach agreement on the articles of the union, whereby each country would continue with its political doctrine. [passage omitted]

Art Exhibit on Reunification Opens in Pyongyang

SK1801124891 Pyongyang KCNA in English 1043 GMT 18 Jan 91

[Text] Pyongyang January 18 (KCNA)—3,000 works of art on the theme of reunification were produced last year at the Mansudae Art Studio—a fine art centre of Korea.

500 Korean paintings, 100 oils, 400 woodcuts, 1,200 ceramic works, 50 sculptures, and 800 embroideries and crafts graphically show the ardent desire and will of the Korean nation to achieve national reunification in the '90s without fail.

A typical work is the large-size Korean painting "The Pan-National Rally."

It represents the historical course of the rally held in August last year on a canvas 34 metres long and 2.6 meters high.

The work which consists of six parts portrays the real sights of Koreans at home and abroad who participated in the pan-national rally, representatives of the "Coalition for National Democratic Movement" (Chonminnyon) of South Korea who came up to Panmunjom to participate in the rally, students, etc., 500 all told.

This large-size Korean painting is estimated as a successful work holding a special place among the works of art on the theme of reunification created last year for its profound thematic and ideological content and high level of artistic depiction.

Many works vividly depict the righteous activities of Rev. Mun Ik-hwan, student Yim Su-kyong and Father Mun

Kyu-hyon of South Korea who visited the northern half of Korea as the first civilian messengers of reunification.

The Korean paintings "Yim Su-kyong's Struggle in Court," the oil "Envoy of Reunification Handcuffed" (portraying Mun Ik-hwan), the oil "Yim Su-kyong and Father Mun Kyu-hyon" and many other works are successful works which left uneffaceable impressions on the Koreans who participated in the pan-national concert for reunification in Pyongyang in October last year.

The courageous sight of Mun Ik-hwan, Yim Su-kyong and Mun Kyu-hyon who are devoting their heart and soul to the reunification of the country will live eternally in the memory of the nation, depicted in thousands of Korean paintings, oils, sculptures, embroideries and crafts.

Conspicuous is the Koryo celadon "Toast Cup of Reunification" made by people's artists U Chi-son and Im Sa-chun.

The participants of the pan-national concert for reunification mixed the water of Lake Chon on Mt. Paektu and Lake Paekrok on Mt. Halla and sang song of reunification, drinking toasts for reunification with this cup.

The Mansudae Art Studio is now creating Korean jewel painting on the theme of reunification, which can be permanently preserved, with natural jewel powder, a newly developed material.

Kim Yong-nam Greets New Soviet Foreign Minister

SK1801113191 Pyongyang KCNA in English 1056 GMT 18 Jan 91

[Text] Pyongyang January 18 (KCNA)—Foreign Minister Kim Yong-nam sent a message of greetings to A. A. Bessmertnykh on his appointment as minister of foreign affairs of the USSR.

Expressing the belief that the friendly relations between the two peoples and cooperation between the two foreign ministries will develop, the message wished him success in his responsible activities to implement Soviet foreign policy tasks for world peace and security.

Lithuanian Salvation Committee Statement Viewed

SK2001044391 Pyongyang Domestic Service in Korean 1500 GMT 17 Jan 91

[Text] According to a report from the TASS News Agency, the situation in the Soviet Baltic Republics has recently become serious. In this regard, the Lithuanian National Salvation Committee and Soviet Constititutional Defence Committee issued a warning letter on 15 January and pointed out that subversive forces, including the Lithuanian Supreme Soviet, continue to aggravate the tension in Lithuania to the maximum.

The letter said that the Lithuanian Supreme Soviet had imposed a military action against the Army and organized a massive slaughter, and had adopted a series of bills that enable it to kill Communist Party members, soldiers' families, and all other Soviet people.

The letter says that this phenomenon is destroying the military organizations and Lithuanian communist committees and killing the people in the districts and cities who hold different opinions. The letter also says that the Lithuanian National Salvation Committee and Soviet Constitutional Defence Committee, in connection with this matter, issue a strong warning against the Lithuanian Supreme Soviet that it will take most powerful retaliatory steps if the life, honor, and dignity of the Soviet people, Communist Party members, soldiers' families, and all persons who dislike the current fascist system are hurt, even slightly.

On 14 January, prior to this, Soviet Defense Minister Dmitriy Yazov, delivering a speech at the Supreme Soviet session, rejected any attempt to link the crisis events in Lithuania with acts of military management organizations and units, and said that the main factor of the crisis lies in the policies of the Lithuanian leadership that allow it to infringe roughly on the people's political rights and freedom by adopting a series of hasty and illegal documents and by taking steps to put them into effect.

He said that deliberate and systematic work was being conducted to establish a bourgeois-type dictatorship in Lithuania under the slogan of democracy.

On 15 January, thousands of residents in Riga, the capital of Latvia, staged demonstrations demanding the resignation of the government of the Republic and the disbanding of the Supreme Soviet.

On that day, thousands of workers in Estonia held a rally in front of the government building of the Republic and adopted a letter of appeal to the Soviet president, and the Latvian and Lithuanian people. The letter expressed their anxiety over their future and the social political tension created in Estonia, the participants denounced the fact that that the national splittists who take over power would lead the people of the Baltic republics to political confusion and economic deterioration.

According to data revealed by the Soviet minister of internal affairs on 15 January, 70 firearms and approximately 38,000 bullets were confiscated on 12 January from the building in which the Lithuanian Home Defense Bureau is stationed.

In addition, the Soviet Ministry of Internal Affairs confiscated 268 weapons from the Riga faculty, Minsk high school, under the Soviet Ministry of Internal Affairs in Latvia on 15 January.

Kim Sends Condolence Message to Yasir 'Arafat

SK1801053991 Pyongyang KCNA in English 0455 GMT 18 Jan 91

[Text] Pyongyang January 18 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea Thursday sent a message of condolence to Yasir 'Arafat, president of the state of Palestine and chairman of the Executive Committee of the Palestine Liberation Organization (PLO) on the death of Abu-Iyad [Salah Khalaf] and Abu-al-Hawl [Hayil 'Abd-al-Hamid], members of the Central Committee of the Palestine National Liberation Movement.

President Kim Il-song, upon hearing the news that they were killed, expressed deep condolences to Yasir 'Arafat, the PLO, Palestinian People, resistance fighters and the bereft family members of the deceased.

Choe Kwang, Others Visit Palestinian Embassy

*SK1801060591 Pyongyang KCNA in English
0451 GMT 18 Jan 91*

[Text] Pyongyang January 18 (KCNA)—Korean cadres called at the embassy of the State of Palestine here Thursday and expressed condolences on the death of Abu-Iyad [Salah Khalaf] and Abu-al-Hawl [Hayil 'Abd-al-Hamid], members of the Central Committee of the Palestine National Liberation Movement.

Among the callers for condolence were Choe Kwang, member of the Political Bureau of the Central Committee [CC] of the Workers' Party of Korea [WPK] and chief of the general staff of the Korean People's Army; Kwon Min-chun, vice-director of a department of the C.C., the WPK; Chon Mun-sop, vice-minister of People's Armed Forces; Cha Pong-chu, vice-minister of foreign affairs; Pak Tong-chun, vice-chairman of the Committee for Cultural Relations with Foreign Countries; and Kim Song-chol, vice-chairman of the Central Committee of the League of Socialist Working Youth of Korea (LSWYK).

They laid before the pictures of the deceased a wreath in the joint name of the C.C., the WPK, the Central People's Committee and the Administration Council of the DPRK and wreaths in the name of the Ministry of People's Armed Forces, the Central Committee of the General Federation of Trade Unions of Korea, the Central Committee of the LSWYK and the Korea-Palestine Friendship and Solidarity Committee. Then they observed a moment's silence.

Foreign diplomatic envoys and staffers of embassies here visited the Palestinian Embassy and expressed condolences.

O Chin-u Sends Greetings to Lao Counterpart

*SK1901110791 Pyongyang KCNA in English
1000 GMT 19 Jan 91*

[Text] Pyongyang January 19 (KCNA)—Minister of People's Armed Forces O Chin-u sent a message of greetings to his Lao counterpart Khamtai Siphandon on the 42nd anniversary of the founding of the Lao People's Army.

Expressing the belief that the friendly and cooperative relations between the peoples and armies of Korea and Laos will steadily consolidate and develop on the way of struggle for the victory of the cause of socialism, O Chin-u wished him greater success in his responsible work to strengthen the defence power.

Kim Yong-nam Greets Germany's Genscher

*SK2101062291 Pyongyang KCNA in English
0435 GMT 21 Jan 91*

[Text] Pyongyang January 21 (KCNA)—Vice-Premier and Foreign Minister Kim Yong-nam sent a message of greetings to Hans-Dietrich Genscher upon his appointment as foreign minister of the United Federal Republic of Germany.

The message wished him success in his work for the execution of the independent foreign policy of the Federal Republic of Germany and hoped that the relations between the two countries would develop at a newer stage.

Premier Sends Greetings to Germany's Helmut Kohl

*SK1901105991 Pyongyang KCNA in English
1029 GMT 19 Jan 91*

[Text] Pyongyang January 19 (KCNA)—Premier of the Administration Council Yon Hyong-muk sent a message of greetings to Helmut Kohl on his assumption of office as chancellor of the Federal Republic of Germany.

Hoping that the relations between the two countries would develop more affirmatively in keeping with the aspirations of the independent and peaceful era, the message wished the chancellor success in his work.

KCNA Reviews 25 Jan Pyongyang Press

*SK2501061891 Pyongyang KCNA in English
0459 GMT 25 Jan 91*

[Text] Pyongyang January 25 (KCNA)—Dailies here today carry a solidarity message to President Kim Il-song of the Democratic People's Republic of Korea from President Sam Nujoma of the Republic of Namibia supporting the new proposal for national reunification advanced in the New Year address.

Printed in the press is a message of greetings to comrade Kim Il-song, general secretary of the Central Committee [CC] of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, from Gustavo Mohme Ryona, national secretary general of the Socialist Political Action Party of Peru, on the New Year 1991.

MINJU CHOSON in an article tells that the great leader President Kim Il-song showed all solicitude to provide workers with better working conditions.

NODONG SINMUN informs the readers that a woman student of South Korea sent in miniature copies of the New Year address of President Kim Il-song at the Kwangju prison.

Dear Comrade Kim Chong-il led the miners in Komdok to take the lead in the country in carrying out the three revolutions, ideological, technical and cultural, upholding the torch of the three-revolution Red Flag movement, says NODONG SINMUN.

Under the headline "Eternal Lodestar of Chuche Cause" the daily conveys world public tones praising that the revolutionary cause of chuche is being successfully carried forward and accomplished by Comrade Kim Chong-il.

It is reported in the daily that the Zimbabwean Magazine ZIMBABWE NEWS carried an article entitled "Party and Popular Masses" stressing that the Workers' Party of Korea has taken roots among the popular masses.

NODONG SINMUN and MINJU CHOSON carry editorials under the respective titles "Let Us Launch Energetic Drive to Attain High and Steady Rate of Production" and "Let Us Give Definite Priority to Railway Transport".

Econews of the press includes reports about innovations being effected in the coal and power industries of South Pyongan Province and the discovery of promising ore bodies in Yanggang Province one after another.

"Combination of unified guidance of the state and creative initiative of every and each unit" is the title of a MINJU CHOSON article.

The Guyanese president met the DPRK Ambassador to his country, says NODONG SINMUN.

Dailies convey voices of foreigners fully supporting the DPRK's new proposal for national reunification.

The South Korean news of papers includes reports that an inaugural ceremony of the preparatory committee of the South side's headquarters of the Pan-national Alliance for Reunification (Pomminnyon) was held at which the Rev. Mun Ik-hwan was elected chairman of the committee and that people of broad segments protested the U.S. imperialists for unleashing the Gulf war and the authorities for zealously plunging into the war.

NODONG SINMUN runs a commentary denouncing the South Korean ruling group for staging frantic war manoeuvres against the North, raising outcries over "threat from the North" from the beginning of the year, and MINJU CHOSON a commentary condemning them for zealously plunging into the Gulf war ignited by the U.S. imperialists.

An article of NODONG SINMUN stresses that the reckless military rackets of the U.S. imperialists and the South Korean ruling group against the Northern half of Korea must be stopped at once.

"Reunification dialogue must be developed broadly" is the title of a MINJU CHOSON article.

It is reported in the press that the Chinese magazine Voice of Friendship in the No. 12, 1990, issue published a travelogue on Korea, the first vice-minister of defence of the USSR gave his impressions of Korea and the Bureau of the C.C., the Lithuanian Communist Party made public a statement on the Lithuanian situation.

NODONG SINMUN informs the readers that an enlarged plenary meeting of the C.C., the Lao people's revolutionary party was held and the spokesman of the Chinese Foreign Ministry protested against the Taiwan visit of the French minister of industry.

Included in the news of the Gulf war are reports that Iraq delivered a counterattack on the air-raid of the U.S.-led multinational forces and smashed their ground attack attempts and the U.S. Defence Department admitted that they would not be able to strike all the Iraq's missile launching pads.

NODONG SINMUN carries an article headlined "Anti-imperialist Struggle is Basic Demand for Independence, Sovereignty, Socialism and Peace" and MINJU CHOSON an article captioned "Building a New Asia, Independent and prosperous, is demand of developing reality."

Epic 'Mt. Paektu' Published in Foreign Languages

SK2201103991 Pyongyang KCNA in English 1007 GMT 22 Jan 91

[Text] Pyongyang January 22 (KCNA)—The lengthy epic "Mt. Paektu" was recently brought out by the foreign languages press group in Russian, English, French, Spanish, Arabic and German.

The long epic "Mt. Paektu" depicts the battle in Pochonbo (on June 4, 1937), one of the most significant events in the history of the glorious anti-Japanese revolutionary struggle organized and led by the great leader President Kim Il-song.

Pochonbo is situated in Yanggang Province, the northern part of Korea.

In 1937, the Japanese impeialists were throwing strict cordon along the Korea-China border to prevent the advance of the Korean People's Revolutionary Army (KPRA) into the homeland.

At that time, President Kim Il-song, commanding the main unit of the KPRA, advanced into the homeland to attack Pochonbo, an important military strategical vantage of the Japanese imperialists, and achieved a great victory, strikingly demonstrating that the Korean people were not dead but alive, and they would win victory surely if they rose in struggle.

"Mt. Paektu" tells this real story on the epical picture in a high-pitched tone.

This epic was written by Cho Ki-chon, a famous Korean poet, (November 6, 1913-July 31, 1951).

Hailing from Hoeryong County, North Hamgyong Province, he went abroad in search of means of livelihood during the period of the Japanese imperialists' occupation of Korea.

When the country was liberated on August 15, 1945, he returned home and took an active part in the production of poems as a journalist of the then newspaper CHOSON SINMUN and vice-chairman of the Central Committee of the General Federation of the Unions of Literature and Arts of Korea from March 1951.

One of his typical works is the lengthy epic "Mt. Paektu" produced in February 1947.

Besides, he produced a large number of poems including "Song of Life" and "Korea Fights" representing the life of the people and soldiers in the period of the building of a new country and the Fatherland Liberation War.

Intellectuals Called 'Companions of Party'

SK1801124791 Pyongyang KCNA in English 1019 GMT 18 Jan 91

["Our Intellectuals Are Permanent Companions of Party"—KCNA headline]

[Text] Pyongyang January 18 (KCNA)—NODONG SINMUN today devotes nearly one whole page to an editorial article entitled "Our Intellectuals Are Permanent Companions of Party."

The article says first that our intellectuals are revolutionary intellectuals with the loftiest ideological and moral traits ever in history.

There are no such intellectuals in history as ours who set a brilliant example of loyalty by following the leader of the revolution as a great teacher and a savior from the first days of the revolution and have added lustre to the tradition for a long time.

The noble ideological and moral traits of our intellectuals who have an invariable stand and viewpoint on the leader of the revolution find a graphic expression in living and fighting as eternal companions of the party.

The dear leader comrade Kim Chong-il said in his reply letter to the entire members of the Korean Literary Production:

"I hope you will be an eternal companion, a faithful helper and a good adviser in the building and activities of our party."

It is our intellectuals' noble traits as eternal companions of the party that they have the same ideas with the party and cast in their lot with the party at any time and in any place.

They are firmly resolved to always remain loyal to the party, believing in the party's idea and will. The unshakable belief that today's glory and bright future of our revolution are guaranteed by the greatness of our party, the unbreakable viewpoint of linking their destiny only to the party's leadership and the revolutionary determination to resolutely defend the party and the leader as a formidable fortress and shield—these are the noble idea and thinking of all our intellectuals.

Our intellectuals' noble traits as eternal companions of the party lie in that they resolutely defend the party line and policy and thoroughly carry them out and live and fight in a revolutionary way with a firm faith in the cause of our party, the chuche cause of socialism and a firm working-class stand.

The more the imperialists intensify the counterrevolutionary offensives, the more loudly our intellectuals raise their confident voices "let the cowards go away, but we will firmly defend the banner of the revolution, the banner of socialism." This is, indeed, the voice of confidence of eternal companions and true revolutionaries who resolutely safeguard the cause of the party.

It is the shining result of the wise guidance of the party and the leader that today all our intellectuals have grown up as genuine intellectuals of chuche type with noble ideological and spiritual traits.

It is the steadfast stand of dear Comrade Kim Chong-il to accomplish to the end our revolutionary cause together with the intellectuals, firmly believing them to be eternal companions, faithful helpers and good advisers of the party.

Our party has constantly developed in depth their revolutionary trasformation and their assimiliation to the working class in keeping with the requirements of the developing revolution and shown deep care for them so that they may bring their talents and wisdom into full play in socialist construction.

It is the invariable stand of our party to value their talents and wisdom and to spare nothing to make them shine.

It is under the deep love and care of dear Comrade Kim Chong-il that our country has produced many talented scientists and other brilliant men and artists who are loved by the entire people.

A bright future has been opened before the party and the revolution, the country and the nation as there is a revolutionary contingent of 1.5 million intellectuals trained by our party.

The staunch struggle of our intellectuals as eternal companions of the party is of weighty significance in firmly defending and safeguarding the best socialism of our own style and adding lustre to it down through generations.

Only when there are native cadres who are trained by their party and serve their revolution and people, a large contingent of intellectuals who are equipped with chuche, can socialism win one victory after another, not shaking in any storm—this is a precious truth proved in the course of building the socialism of our own style.

Today our party and people are confidently pressing ahead with socialist construction by themselves with their faith and resolution upholding the banner of the chuche idea. It is thanks to a strong contingent of intellectuals that we have invariably and firmly maintained chuche in the vortex of history.

Our intellectuals will dynamically advance, always holding high the banner of our glorious party which is marked with hammer and sickle as well as writing brush, and will live and struggle as eternal companions of the party.

Scientists, Technicians Claim Successes

SK2101064691 Pyongyang KCNA in English 0500 GMT 21 Jan 91

[Text] Pyongyang January 21 (KCNA)—A meeting of activists of the "February 17 Shock Brigade of Scientists and Technicians" was held here on January 20.

It summed up the successes made in the activities of the "shock brigade" last year and discussed measures to successfully solve scientific and technical problems arising in carrying through the tasks laid down by the great leader President Kim Il-song in his New Year address.

It said that the members of the "shock brigade" under the wise leadership of the Workers' Party of Korea solved more than 640 scientific and technical problems, thereby economizing 300 million kwh of electricity and over 16,000 tons of steel and contributing to more dynamic advance of the socialist construction last year, the first year of the 1990s.

The meeting referred to the tasks of further invigorating the activities of the brigade so as to fully resolve in time scientific and technical problems arising in socialist economic construction, those in the leading fields of the national economy in particular, and contribute to maintaining a steady and high level of production and measures for their implementation.

It laid stress on maintaining the principle of resolving scientific and technical matters our own way in the interests of the Korean revolution and in conformity with the specific conditions of our country.

Technicians' Group Produces New Technology

SK1901035391 Pyongyang KCNA in English 1509 GMT 18 Jan 91

[Text] Pyongyang Jan. 18 (KCNA)—The members of the "February 17 Shock Brigade of Scientists and Technicians" active in the Unsan instrument factory of Korea have recently completed a method of covering titanium natride plasma.

This holds forth a bright prospect of sharply increasing the production of super-high speed precision machine parts and improving the quality of tools.

This method makes it possible to produce good-quality tools and prolong their service life two or three times.

The Unsan instrument factory has already built a process capable of covering millions of tools a year. Among the researches, a titanium natride covering machine, a high-vacuum pump and equipment of other kinds were developed and manufactured.

In Korea the "February 17 Shock Brigades of Scientists and Technician" were formed in February 1978 and dispatched to factories and enterprises so as to strengthen creative cooperation with producer masses and solve scientific and technological problems arising in various sectors of the national economy.

Billions of Tons of Coal Deposits Discovered

SK1901111691 Pyongyang KCNA in English 1014 GMT 19 Jan 91

[Text] Pyongyang January 19 (KCNA)—The Ministry of Resources Development of the Democratic People's Republic of Korea recently discovered coal deposits of billions of tons.

Over 20 brown coal seams, scores of metres in depth and scores of ri (10 ri equals about 4km) in length, were found in the area between Sukchon and Mundok Counties in South Pyongan Province. Preparations to create a big open-cast mine are making headway briskly at present.

Sapropelic seams some 20 metres deep, extending scores of kilometers, were discovered in Rinsan County, North Hwanghae Province.

Saebyol County, North Hamgyong Province, was reported to have a brown coal deposit which can last several hundred years at the rate of hundreds of thousands of tons in annual excavation.

The brown coal deposited there will help supply more sufficient fuel to the industrial establishments in the northern areas, and it will be used as a raw material of synthetic fibre, synthetic resin and various other chemical products.

Brown coal deposits have also been found in Paekam County, Yanggang Province.

The discovery of coal in the northern highlands will help ease the strain on railway transport, further develop local industries in this region and improve the supply of coal to households.

Daily Stresses Construction of Tongil Street

SK1801132691 Pyongyang Domestic Service in Korean 0007 GMT 16 Jan 91

[NODONG SINMUN 16 January editorial: "Let Us Continue To Vigorously Accelerate the Construction of Tongil Street"]

[Text] In his New Year address, the great leader Comrade Kim Il-song presented a militant task of further constructing modern houses in the rural and urban areas and especially vigorously accelerating the construction of Tongil Street in Pyongyang.

The constructors of Tongil Street in Pyongyang must highly uphold the great leader Comrade Kim Il-song's New Year address and further boldly carry out the construction of Tongil Street.

The great leader Comrade Kim Il-song has taught: This year, more modern houses must be constructed in the rural and urban areas and especially in Pyongyang, the construction of Tongil Street must be continuously vigorously accelerated.

The construction of Tongil Street literally is one of the great construction projects of the nineties which our party is initiating, organizing, and leading daringly by reflecting our people's seething enthusiasm for reunification.

When the construction of Tongil Street is completed, Pyongyang, the capital of the revolution, will be further built into a magnificent and brilliant city, and will also further enhance the enthusiasm of our people's desire for the reunification of the fatherland.

Also, this will bring about great national pride and dignity to our compatriots in the South and overseas, who have vigorously launched onto the majestic road to march forward and achieve the reunification of the fatherland, thus making them further vigorously launch into the cause of the reunification of the fatherland.

The construction of houses for 50,000 households in the capital including the construction of Tongil Street, is a large-scale construction unprecedented in our country's construction history.

The large-scale construction of Tongil Street is indeed a great construction which only our party can plan and carry out. A party of this kind is a party struggling for today's happiness and for the happiness of the bright future of our people. This party of ours also wisely leads the revolution and construction with the refined organizing ability and a bold and daring operation.

It has not been long since the start of the construction of Tongil Street and the second stage of the construction of Kwangbok Street.

However, all the constructors and soldiers of the People's Army who are participating in the construction, are highly upholding our party's far-reaching plan of constructing the capital and are launching the battle of loyalty. Thus, last year alone they achieved a proud result of newly constructing modern houses for 30,000 households.

If we move forward at the rate of this construction speed, the construction of Tongil Street can be completed in the near future according to the demand of the party and the housing problem of the workers of the capital can be solved completely.

During the past year, the results that were achieved in the construction of Tongil Street and the construction of houses for 50,000 households in the capital were great and noteworthy, but we are still faced with the heavy burden of quickly constructing houses for 20,000 households.

By vigorously launching the struggle to create the new speed of the nineties in constructing houses in the capital, reality demands that our people's proud tradition which was pioneered through the road of victory by the strength of the single intent unity and the invincibility of our country's socialism, be once again enhanced and highly displayed.

The struggle to create a new speed of the nineties in the construction of Tongil Street is an honorary struggle to clearly display our party's organizing ability, the invincible single intent unity of the party and the popular masses, and the might of our country's independent national economy. Also, this is a noteworthy struggle which will pioneer a new chapter in our construction history.

All the constructors and soldiers of the People's Army who are participating in the construction of Tongil Street, must highly uphold the New Year address of the great leader Comrade Kim Il-song and overfulfilled with new faith and firm determination, they must continue to create a speed of the nineties in the construction of houses in Tongil Street.

What is important in continuing to vigorously accelerate the construction of houses in the capital including Tongil Street, is for all the builders to struggle with devotion with the endless loyalty toward the party and the leader.

Our people's loyalty toward the party and the leader is the most solid and true loyalty based on the revolutionary faith and integrity.

The reason that we were able to magnificently launch the great monumental structures of the era of the Workers' Party of Korea during the past few years and surprise the world, is because our party members and workers have struggled devotedly with the endless loyalty toward the party and the leader.

The experiences of the past clearly show that if one struggles devotedly with the endless loyalty toward the party and the leader, miracles can be created in whatever circumstance.

As always in the past, all the constructors and soldiers of the People's Army who are participating in the construction of Tongil Street, must further vigorously struggle to fulfill the entrusted task without fail with the endless loyalty toward the party and the leader.

The construction workers of Tongil Street must show their loyalty toward the party and the leader in the practical struggle to finish the construction within the given time as proposed by the party.

Our party's demand is to finish the construction of houses for 50,000 households in the capital including Tongil Street at the shortest time and is a struggle purpose which our constructors have determined before the party.

All the workers who are participating in the construction of Tongil Street must bear in mind that realizing this struggle purpose is a true road in defending and illuminating our party's policy and by accelerating construction to its maximum with the invincible revolutionary spirit which was overfulfilled in the first stages of the construction of the Sohae Flood Gate and Kwangbok Street and with the spirit of absoluteness and unconditionality toward the party's decision, they must unfailing achieve the determination that was put forth by the party.

Only one year is left before the completion date of the construction of the houses in the capital which was determined before the party. We cannot complete the construction of the houses before the deadline if we cling to the normal speed and the previous method. Also, we cannot advance quickly if we hope to have all the equipment.

We must highly display the revolutionary spirit of self-reliance and fortitude which means that it is good if we get assistance from the upper level but that we will do the work even if we do not get assistance from the upper level. By doing so, we can overcome all kinds of barriers that we are faced with and while changing a disadvantageous condition to an advantageous one, we can achieve endless innovations and advances in construction.

Self-reliance is a revolutionary spirit and principle of struggle of the communists who want to carry out the revolution to the end and construction through their own strength. Also, this is a struggle trait which was highly displayed in the past by our people in the socialist construction.

All the workers who are participating in the construction of Tongil Street, must highly uphold the slogan of having the faith of carrying out the work if the party is determined, and must further struggle vigorously. Also, while making things that they do not have and finding things that they lack, they must positively accelerate the construction projects such as assembling the structures and doing the finishing touches of the construction that they are entrusted with through their own strength and technology.

Reserves are everywhere. As long as we search for reserves these reserves are found endlessly only when we unite our wisdom and achieve technological innovations.

The functionaries, construction workers, and soldiers of the People's Army who are participating in the construction of Tongil Street, are strengthening the creative cooperation together and by vigorously carrying out the mass technological innovative movement, they are positively accepting the up-to-date scientific and technological results in the construction, and they must broadly create and introduce the advanced construction method and effective machine facilities.

Especially, the constructors must highly uphold the decisions of the 17th plenary session of the sixth party Central Committee and continue to thoroughly fulfill this so that construction materials such as cement and steel can be conserved, and by managing the machine facilities well and using them effectively, more constructions must be carried out well with the existing materials and facilities.

All the proud victories and miraculous results that are engraved in the proud chronicles of our fatherland—whatever it may be—were achieved through the revolutionary mass movement which was vigorously carried out by highly upholding the banner of the three revolutions.

All units participating in the construction of Tongil Street, must adhere to the movement to win the Red Flag of Three Revolutions, and must further practically and actively carry out various kinds of mass movements such as the movement to learn from the example of unsung heroes.

Especially, the socialist economic movement between the units and between the work teams must be carried out vigorously so that endless miracles and innovations can be created in all units and sectors to create the new speed of the nineties. Also, all the constructors must be made into heroes and innovators.

The work to make Pyongyang, the capital of the revolution, into a modern capital by accelerating the construction of Tongil Street is [illegible] honorary duty of all of our people.

All units, sectors, and local areas of the people's economy must make use of the trait of having sincerely supported both materially and morally the large-scale construction during the past whenever the revolutionary capital was built, such as the construction of Kwangbok Street, and produce and supply with priority the facilities and materials that are needed in the construction of the houses.

Especially, in the metal, building materials, forestry, and railway transportation sectors, the production of iron and steel materials, cement, lumber, and materials to put the finishing touches in the construction must be actively accelerated and delivered at the proper time so that there will be not even the slightest inconvenience in the construction.

Along with this, all the functionaries and workers in the local areas including Pyongyang must continue to strengthen the material, technological, and labor supply work.

The struggle to carry out the rest of the large-scale task in the construction of Tongil Street is greatly dependent upon how the functionaries carry out the militant organization and guidance.

The guiding functionaries who organize and lead the construction must plan the labor organization and the work to supply the materials according to the demand of the Taean work system with the high dignity of blossoming the party's magnificent plan of the construction of the capital, through their high revolutionary spirit, party spirit, working class spirit, and people-mindedness.

Especially, the functionaries must strictly establish a system and order in the construction, strengthen the planning discipline and the labor administrative discipline, and from the principle of giving priority to developing technology and enhancing the quality of economic effectiveness and construction, they must plan the economic organization work in detail. Also, in the forefront of the advancing ranks, the functionaries must lead the builders by being exemplary models.

The party organizations of all classes in all sectors and units that are participating in the construction of Tongil Street, must further carry out the political propaganda and economic instigation to deeply explain and penetrate the teachings of the great leader Comrade Kim Il-song and the demands of the party, which is to actively accelerate the construction of Tongil Street by going to the construction workers.

By doing so, all the construction workers and the soldiers of the People's Army can deeply understand the intention of the party and the leader, and by displaying the high revolutionary spirit and militant might they must carry out the entrusted task unconditionally within the given time.

Let us all uphold with loyalty the leadership of the party and the leader, and by creating a new speed of the nineties by actively accelerating the construction of Tongil Street, let us once again highly display our people's heroic mettle and the united might of the party and the popular masses.

'Vitality of Independent National Economy' Praised

SK2101153991 Pyongyang KCNA in English 1506 GMT 21 Jan 91

[Text] Pyongyang January 21 (KCNA)—The vitality of the independent national economy is given fuller play in the Democratic People's Republic of Korea.

The dear leader Comrade Kim Chong il has said:

"Building an independent national economy is the line of economic construction which our party consistently follows and a sure guarantee of maintaining the independence of the country and achieving the prosperity of the nation."

The Workers' Party of Korea and the Government of the DPRK set forth the line of building an independent national economy from the first days of economic construction after liberation (August 15, 1945) and have correctly led the work for its realisation.

As a result, an independent national economy fed with our own raw materials, run by our own technique and our own cadres and people, comprehensively developed and equipped with up-to-date technology, has been built in a historically short period.

With the independent national economy built, our country has continued to develop at a high rate, unaffected by any worldwide economic upheavals.

The total industrial output value in 1989 was 554 times the figure of 1946 and it increased at an average annual rate of 16.7 percent over the 40 years till 1989.

In 1987, the first year of the present Third Seven-Year Plan, the rate of self-supply in machinery and equipment reached 98 percent, and the proportion of industry in industrial and agricultural production 80 percent.

And the country's self-supply rate in raw materials and fuel reached more than 70 percent already long ago.

All branches of the national economy have been equipped with modern technologies and a large contingent of 1.46 million intellectuals have been trained so as to manage and operate the economy by native technical personnel.

Our country now produces and supplies by its own efforts nearly all the machinery and equipment for the nation's economic construction and sets of equipment for factories including 10,000 ton press, 40,000 cubic metre centrifugal compressor which is a large high-pressure, high-speed precision machine, a large oxygen plant, high-capacity generating facilities, various kinds of heavy machines and modern rolling stocks, large-size and special machine tools and up-to-date automation elements and electronic devices.

In the recent few years Kwangbok Street which is equal to a whole city and more than 260 objects have been built and, at the same time, magnificent nature-remaking projects and ambitious industrial projects including the construction of the Sunchon vinalon complex and the Sariwon potassic fertilizer complex have been pushed forward. These great successes well show the tremendous potential of the independent national economy of our country.

The Sunchon vinalon complex now under construction is a large-size chemical industrial base which will annually produce one million tons of carbide, 750,000 tons of methanol, 100,000 tons of vinalon, 900,000 tons of nitrogenous fertilizer, 250,000 tons of vinyl chloride, 250,000 tons of caustic soda, 400,000 tons of sodium carbonate and varieties of other chemical products.

Till the first-stage commissioning (it was completed on October 9, 1989) with the creation of a 50,000 ton capacity of vinalon, 18,000 units of up-to-date machinery and apparatuses, high- pressure, acid-proof, well-enduring and high-speed ones which weigh more than 56,000 tons had been successfully produced and supplied by our own efforts in a little more than two years.

In 1993, the last year of the present Third Seven-Year Plan, Korea will produce 100,000 million kwh of electricity, 120 million tons of coal, 10 million tons of steel, more than 1.7 million tons of nonferrous metals, 22 million tons of cement, 7.2 million tons of chemical fertilizer, 1,500 million metres of fabrics, 11 million tons of sea food and 15 million tons of food grain.

During the plan period the production of machinery will increase 2.5 times and the volume of trade 3.2 times, and 300,000 hectares of tidal flats will be reclaimed by 1993.

South Korea

Yi Says North May Have Nuclear Arms by 1995

SK2401135491 Seoul YONHAP in English 1330 GMT 24 Jan 91

[Text] Seoul, Jan. 24 (OANA-YONHAP)—North Korea will be able to arm itself with nuclear weapons after 1995 as it is expected to secure lots of plutonium in one or two years, Defense Minister Yi Chong-ku warned Thursday.

Speaking in the National Assembly interpellation session, Yi said that there is a persistent fear over a large-scale surprise attack from North Korea, which has lots of chemical weapons and in-house version of Scud missiles and is superior 1.6 times to the South in its war potentials. "However, it is enough to contain the North Korean military threat, when considering the United States forces stationed here," the top defense official said.

The South, Yi said, is operating an early warning system in preparation for possible surprise attack by the North. He said the North Korean forces are deployed in the frontline positions. "By taking advantage of the early warning system owned by the Korea-U.S. Combined Forces, any provocations by the North can be put back," he said.

Yi said it is unlikely that the United States will swing its forces here to the Gulf as such a move is feared to create a second front in the Korean peninsula. "The possibility, however, cannot be ruled out completely in case the war drags on and expands," he said.

If Saddam Husayn gains what he wants from the current war, North Korean leader Kim Il-song is likely to be tempted to provoke a war against the South, Yi said.

Diplomatic Focus To Concentrate on U.S. Ties

SK1901085291 Seoul YONHAP in English 0751 GMT 19 Jan 91

[Text] Seoul, Jan. 19 (OANA-YONHAP)—South Korea's diplomatic focus this year will be on Korea-U.S. relations, which have been left unattended in the wake of northern policy, Foreign Minister Yi Sang-ok said Saturday.

"Putting a bigger share of diplomatic stress on Korea-U.S. relations will bring balance and harmony in northern policy," Yi said in his first news conference since joining the Cabinet in late December.

As a result of northern policy, a diplomatic initiative to improve ties with socialist nations, Korea has normalized relations with most communist nations. The United States has warmly welcomed the policy, judging from official statements. "The Foreign Ministry will cooperate closely with relevant government agencies such as the National Unification Board on the basis of northern policy in order to make a de facto improvement in inter-Korean ties," Yi said.

Asked about the Gulf war's influence on Korea's diplomatic aims, Yi said it would take time to know exactly how and to what extent the war might affect them. The most pressing diplomatic problems are simultaneous entry into the United Nations with North Korea and normalization of ties with China, he said. Faced with strong opposition from North Korea, which wants to share a single U.N. seat, the South is likely to seek a sole entry.

When asked to assess the impact that war in the Persian Gulf may have on South Korea's bid to enter the United Nations, Minister Yi said, "we need to watch the development of the situation there further before determining the impact.

"The war may create new complications we should take into consideration in the course of pursuing our effort to join the world body. But I don't think our effort will be directly affected by the war."

On the dispatch of a 154-member Korean military medical team to the Gulf, Yi said, "On winning approval of the National Assembly early next week for the dispatch, the government will conclude an agreement on the legal status of the medics with the Saudi Government."

Premier Says Loan to Moscow Not 'Heavy Burden'

SK2501110491 Seoul YONHAP in English 1004 GMT 25 Jan 91

[Text] Seoul, Jan. 25 (YONHAP)—Prime Minister No Chae-pong said Friday that it would not be a heavy burden for the Korean economy to provide the Soviet Union with 3 billion U.S. dollars in loans because only 1 billion dollars will be offered in cash in the next three years. The remaining 2 billion dollars will be used for Soviet imports of Korean consumer and capital goods, he said.

Korea agreed to offer the loans to the Soviet Union in the second Korea-Soviet economic consultation which ended in Seoul Tuesday. There has been criticism that the 3 billion-dollar loan would be a heavy burden for the Korean economy and that it is doubtful whether the Soviet Union is capable of repaying the loans.

Replying to questions at an interpellation session, No said he believed that the Soviet Union has a potential to repay the loans although its economy is in a pinch. The Soviet Union has rich natural resources such as natural gas and iron ore and sophisticated scientific technology, he said. He also said that the loaning to the Soviet Union should be considered not only in the economic respects but in political and diplomatic respects.

No said that a protracted Gulf war will make it inevitable for the government to make an all-out revision to the economic plans. The government target of reaching 7 percent economic growth rate and curbing inflation below 10 percent this year would be unattainable if the war goes longer than a month, the prime minister said. If the war ends within a month, international crude oil price will not soar beyond 25 dollars a barrel and a 7 percent economic growth is likely to be attained, he said.

Trade deficit could be pegged at 3.5 billion dollars and inflation would be controlled in that case, he added.

If the war drags on and gets expanded, he said, economic growth of the advanced countries will slow down, crude oil prices rise up to 40 dollars and Korea's economic goal will hardly be attained. No said that a prolonged war in the Gulf would force the government to employ additional energy-saving measures and revise existing anti-inflation and trade balance plans.

No said Korea's foreign debts stood at 30.4 billion dollars against 27.1 billion dollars worth of overseas assets at the end of October. The net foreign debts of about 3.3 billion dollars are not a level demanding serious concern, he said.

Loan Called 'Extremely Foolish'

SK2001032091 Seoul THE KOREA TIMES in English 20 Jan 91 p 2

[From the "News in Review" column by political editor Chong Un-pong: "Aid Package to Moscow Appears Half-Baked"]

[Text] The nation is getting carried away by the Gulf war. Everyone everywhere appears glued to the TV day and night staying abreast of developments in the war.

The nation is set to send a military mobile surgical hospital to Saudi Arabia to help the U.S.-led multinational force. Not a small number of people worry the dispatch will be only a prelude to the eventual involvement of combat troops as in the Vietnam War. Already $220 million has been pledged to help finance the war.

The Gulf War, though it is taking place halfway around the globe, is not a fire across the river. The nation is closely tied to the United States in diplomacy, security, and economy. The nation can hardly turn away from conceivable requests for additional burden-sharing the United States may make depending upon the developments in the war. Besides this, the nation is heavily dependent upon the Gulf area for the supply of crude oil. On top of this, a large of number of Korean workers are sweating it out in various construction projects there under the scorching sun.

There is no denying that the government will be fidgeting, working out how to cope with the costly Gulf war. In this critical situation, an important meeting has been held without adequate public attention because of the Gulf War.

A large Soviet delegation ended a round of talks with Korean government counterparts to wrap up an economic cooperation package. It has been known that the nation will supply about $3,000 million worth of economic assistance to the Soviet Union to help resuscitate the floundering economy.

Led by Deputy Premier Yuriy Maslyukov, 20 officials arrived here on Jan. 16. If unofficial delegates totalling 20 are added to this number, it will be realized the delegation was exceptionally large. Besides this, their dispatch at this time cannot be said to be proper no matter how urgent their economic problem may be. They came here just only one day after the expiration of the deadline set by the United Nations for the withdrawal of the Iraqi forces from Kuwait.

As had been warned, the U.S.-led coalition forces had a go against Baghdad shortly after the expiry of the deadline. The war is so serious and global that no nation can remain aloof with its arms folded. This is all the more so for South Korea, given the special relations that have been forged with the United States since the outbreak of the Korean War.

The alleged sum of $3,000 million cannot be thought of as being proper. In every aspect, it is too big an amount in view of the national strength, situation, and the economic assistance other world nations are providing to the Soviet Union.

The economic assistance the EC nations have pledged is said to be about $1,000 million. Of course, this excludes the economic largesse of the unified Germany. The amount pledged by the United States is said to be about $1,000 million. Against this backdrop, the provision of $3,000 million is extremely foolish no matter what incantation the government may make over it.

Of course, the economic assistance is not a kind of grant. It should be viewed from the angle of "cooperation" because Korea will also advance into the Soviet Union. In various fields, the nation may have been assured of the right to do business in the large country rich in natural resources. But, no businessmen would dare venture into the Soviet Union at the present moment because of the extreme uncertainties there, what with the continuously failing economy, political instability and the tendencies of Soviet republics to break apart. And the nation's economy is not so good as to be able to afford such largesse under the name of economic cooperation.

Now the United States is pressuring Korea to open its markets to more for its goods. The approach is so strong that people have already begun to say that the United States can be relentless when it comes to its national interests.

Because of the astronomic expense of the Gulf war, the United States, that helped Korea achieve its present level of economy, is sure to make a request for additional burden-sharing.

It is not difficult to imagine what the United States may feel upon learning of the size of Korea's economic assistance to the Soviet Union, because the latter has done nothing for the nation. We suspect this important economic deal with the Soviet Union has been being handled helter-skelter without sufficient care and study at a time when the nation is under the sway of the Gulf war.

Gorbachev 'Probably' To Visit Seoul in Apr

SK2501112691 Seoul YONHAP in English 1112 GMT 25 Jan 91

[Text] Seoul, Jan. 25 (YONHAP)—Soviet President Mikhail Gorbachev will probably visit Seoul for three days from April 19 this year, a South Korean Government official said Friday.

The official, who refused to be identified, said the Soviet leader is expected to make an official visit to South Korea right after winding up his scheduled visit to Japan on April 16-19. Gorbachev is expected to stay in Seoul for two nights and three days, he added.

The official pointed out that the Soviet leader's visit was agreed upon in his meeting with South Korean President No Tae-u in San Francisco on June 4 last year. The Soviet leader, when asked by South Korean journalists who accompanied No's visit to Moscow in December, expressed his willingness to visit South Korea "in the not distant future."

Soviet Deputy Prime Minister Yuriy Maslyukov was known to have discussed with Kim Chong-in, senior presidential secretary for economic affairs, matters concerning Gorbachev's visit to Seoul shortly before leaving Seoul Tuesday after ending official bilateral economic talks. Informed sources said Maslyukov hinted in the meeting that Gorbachev may be visiting Seoul before or after his visit to Japan. It was not immediately known, however, whether the Soviet leader would also visit North Korea.

Exchange of Policymakers Planned With USSR

SK2001035691 Seoul THE KOREA HERALD in English 20 Jan 91 p 6

[Text] Deputy Prime Minister Yi Sung-yun yesterday met with his Soviet counterpart Yuriy Maslyukov at Yi's office in Kwachon, Kyonggi-to to seek ways of promoting bilateral economic cooperation.

At the meeting, Yi and Maslyukov agreed to exchange economic experts between the Economic Planning Board [EPB] of Korea and the GOSPLAN, the top Soviet economic planning body, as a means of strengthening bilateral economic ties.

The details on the agreed exchange of economic experts will be fixed at a working-level officials' meeting between the two countries before the Soviet delegation leaves for Moscow, an EPB spokesman said.

Seeking Soviet understanding of the present situation under which Seoul could not provide sufficient economic aid to Moscow, Yi said that the Korean government will spare no efforts to promote economic cooperation between the two countries. Yi, concurrently economic planning minister, said that the Soviet economy could expand at a rapid pace should the Soviet Union secure funds needed for economic development. He also pointed out that the Soviet Union is required to improve productivity by granting more economic incentives to individuals.

Soviet First Deputy Prime Minister Maslyukov, meanwhile, expressed his deep interest in the function of the Economic Planning Board of Korea and Korea's systems for deciding commodity prices and imposing taxes, as well as the external economic coordination policies.

Right after holding meetings with Deputy Prime Minister Yi and other key EPB officials, Maslyukov paid a courtesy call on Minister of Finance Chong Yong-ui.

Expressing his great satisfaction with the Soviet Union's recent step to allow the Export-Import Bank of Korea to set up a representative office in Moscow, Chong promised Maslyukov that the Korean government will extend all possible economic support to the socialist country.

Science, Technology Meeting Planned With USSR

SK1901091891 Seoul YONHAP in English 0543 GMT 19 Jan 91

[Text] Seoul, Jan. 19 (OANA-YONHAP)—South Korea and the Soviet Union will hold a science-technology ministerial meeting in May to discuss joint research and commercialization of 53 projects. And in March, an atomic energy cooperation meeting will settle the details of 20 joint study projects proposed by Korea.

The dates were agreed Friday in talks between Korean Science and Technology Vice Minister So Chung-wuk and Soviet State Committee for Science and Technology (SCST) deputy chairman M.G. Kruglov, ministry officials said.

So and Kruglov also neared agreement in other fields, such as setting up a Korea-Soviet cooperation center within the Korea Institute of Science and Technology (KIST) this year, dispatching science attaches to each other's embassies and opening branches of Korean technology research centers in the Soviet Union.

The first Korea-USSR joint atomic energy committee meeting will open in Seoul March 26-30 with vice science and technology ministers heading the delegations. Ways of pursuing some 20 research and cooperation projects will be discussed, the officials said.

On May 13-16, science and technology ministers will meet in Seoul to negotiate further about studying and commercializing 53 sophisticated technologies, they said.

To carry out these projects effectively, KIST will handle evaluation and reviews while SCST and the Soviet Academy of Sciences do the same from Moscow. Evaluations and reviews will be held between February and September, the officials said. Korea is to send experts from research centers and businesses in first half of the year and asked for close Soviet cooperation, they said.

The two sides have agreed to hold the first joint basic science committee meeting in Seoul April 22-27, and the Soviet Union has promised to notify Korea of dates for seminars to be organized by the Soviet Academy of Sciences and the Korea Science Foundation.

Kruglov came to Seoul as a member of the Soviet delegation to the second round of Korea-Soviet economic consultation, headed by Yuriy Maslyukov, deputy prime minister for economic affairs. Maslyukov on Saturday called on Economic Planning Minister Yi Song-yun and agreed to exchange economic experts between the two countries.

Economic Planning Board [EPB] officials said that Yi and Maslyukov agreed in principle to swap leading staff members between the EPB and the Soviet's State Planning Agency (Gosplan). Details of the exchange are to be settled at working-level meetings before the Soviet delegation leaves next week. The economic consultation is to continue until next Tuesday. Yi and Maslyukov also discussed other cooperative measures and exchanged opinions on economic policies. Yi pledged extensive efforts by the Korean side in strengthening bilateral cooperation, the officials said.

Hyundai, USSR Agree on Oil Development Project

SK1901050891 Seoul YONHAP in English 0231 GMT 19 Jan 91

[Text] Seoul, Jan. 19 (YONHAP)—The Hyundai Business Group of South Korea has agreed with Kalmyk of the Russian Republic to jointly tap oil resources in the Russian Autonomous Republic, a Hyundai spokesman said Saturday.

Hyundai founder and Honorary President Chong Chu-yong and V.M. Basanov, president of the Kalmyk Republic, signed an agreement Friday on joint ventures in oil drilling and refining, the spokesman said.

The accord calls for both sides to invest fifty to fifty to set up a joint-venture if it turns out to be commercially viable following a three-month feasibility study of prospective Kalmyk areas. Kalmyk also asked Hyundai to help in modernizing its production facilities, supplying commodity, and enhancing cultural exchanges, he said.

22 Korean Firms Take Part in Moscow Fair

SK2001022891 Seoul THE KOREA HERALD in English 20 Jan 91 p 6

[Text] Twenty-two Korean companies, including such general trading houses as Samsung and Hyundai, are participating in a Moscow exhibition of consumer goods which opened Thursday for an eight-day run.

Korea Trade Promotion Corp. said their goods exhibited there include automobiles, electronic appliances and communications equipment. Their target for contracts during the exhibition period was set at $60 million.

Seoul Approves Sailing Oil Tanker to UAE

SK1901105491 Seoul YONHAP in English 0951 GMT 19 Jan 91

[Text] Seoul, Jan. 19 (YONHAP)—The South Korean Government Saturday allowed an oil tanker to sail through the straight of Hormuz to head for Jebel Dana port of the United Arab Emirates to load crude oil.

The Korea Maritime and Port Administration (KMPA) gave the green light to the 108,000-ton "Honam Topaz," owned by the Homan Tanker Co., judging that there is no major risk in and around the UAE port. The government had instructed the tanker to take shelter at the Gulf of Oman right after the Gulf War broke out Thursday, The Honam Topaz is heading to Jebel Dana and expected to reach the port in early Sunday Morning, KMPA officials said.

Meanwhile, Pan Ocean Shipping Co.'s car carrier, the 27,000-ton "Auto Champ," and the 68,000-ton Honam Diamond, another oil tanker of Honam Tanker Co., passed through the straight of Hormuz from the Persian Gulf around midnight Friday and are sailing in the Arabian sea on their way back home. The two vessels were staying in the Persian Gulf until Friday and the KMPA instructed the ships to leave the area as soon as possible.

The government plans to allow pan ocean shipping's car carrier, the "Auto Banner," and the "Yukong Commander," a 140,000-ton crude tanker owned by Yukong

Line, ltd. To continue their cruise toward the Persian Gulf as scheduled unless the situation in the Gulf worsens.

The 27,000-ton Auto Banner is sailing toward Jeddah of Saudi Arabia for arrival on Monday while the Yukong tanker is heading for the United Arab Emirates to reach there Thursday. KMPA had instructed the Auto Banner, the Yukong commander and five other Korean vessels not to enter the Persian Gulf and take shelter in the Arabian Sea or the Gulf of Oman.

Participation in Iran Sports Event Reconsidered

SK1401130991 Seoul YONHAP in English 1224 GMT 14 Jan 91

[TEXT] Seoul, Jan. 14 (YONHAP)—The South Korean Sports- Youth Ministry decided Monday to tentatively suspend its plan to send a national delegation to a sports festival to be held in Iran next month due to the uncertainty of the international situation in the Persian Gulf.

The Ministry had planned to send over 100 athletes and officials in seven disciplines, including taekwondo, swimming and gymnastics, to the Feb. 2-27 ninth sports festival commemorating Iran's Islamic revolution as the sports meet was to be participated also by such sports powers as the Soviet Union, China and North Korea.

The decision was adopted at the request of the South Korean Embassy in Iran, according to the Ministry. The Ministry, however, instructed related sports associations to maintain their readiness to send athlets to Iran at any given time, saying that the Ministry's decision will be reviewed when tension in the Middle East eases.

PRC Names Trade Representative in Seoul

SK2501053591 Seoul YONHAP in English 0502 GMT 25 Jan 91

[Text] Seoul, Jan. 25 (YONHAP)—The Chinese Government has formally notified the South Korean Government of its appointment of Xu Dayou, vice chairman of the China Chamber of International Commerce (CCOIC), as head of the Chinese trade representative office in Seoul, Foreign Minister Yi Sang-ok said Friday.

A Chinese advance team will visit Seoul on Feb. 20 to set up the trade office, which will be opened in March, Yi told reporters. Xu, 62, a former diplomat, has been in charge of international trade affairs at the state-run CCOIC.

Korea's state-run Korea Trade Promotion Corp. and CCOIC agreed Oct. 20 last year to open trade representative offices in each other's capital. Korea's trade representative office, headed by Ambassador-at-large No Chae-won, is to open Jan. 30.

Turning to the Gulf war, Yi said he hoped Japan's decision to send military transports to the region would not lead to the dispatch of troops. Noting that the government had expressed concern at an earlier Japanese attempt to send troops of its Self-Defense Forces to support the allied effort to liberate Kuwait, Yi said he thought that perhaps the planes were being sent in consideration of "the special character" of the Gulf war and for humanitarian reasons.

Korea To Send 150 People to Japan for Training

SK1801031991 Seoul YONHAP in English 0204 GMT 18 Jan 91

[Text] Seoul, Jan. 18 (YONHAP)—South Korea will send 150 workers from small- and medium-sized manufacturing companies to Japan to take part in a technical training program, a spokesman for the Small and Medium Industry Promotion Corp. (SMIPC) said Friday. The state-run corp. will send 100 workers to Japan on June 9 and 50 in September with the cooperation of Japan's association for overseas technical scholarship and the Japan international cooperation agency.

The training will take place in machinery, electricity, electronics, metals, textiles and chemical factories, it said. The trainees who have spent more than two years on production lines will learn advanced technology through three- or six-month training programs, he said.

SMIPC dispatched 158 workers to Japan in 1990, 139 in 1986 and 31 in 1984, when the program was initiated, he said. The government will pay 43 percent of the program's tuition costs and the two Japanese bodies 32 percent, the spokesman said. Particpants will pay 25 percent of the costs. SMIPC also plans to send Korean workers to France and Finland for technical training this year, he said.

Seoul Invited to ASEAN Ministers Meeting

SK1901085791 Seoul YONHAP in English 0552 GMT 19 Jan 91

[Text] Seoul, Jan. 19 (YONHAP)—South Korea has been formally invited to take part in the Foreign Ministers' Conference of the Association of Southeast Asian Nations (ASEAN) slated for July 22-24 in Kuala Lumpur, Malaysia, the Foreign Ministry said Saturday.

ASEAN has also invited the United States, Japan, Canada, Australia, New Zealand and European Communities (EC) to the ministerial meeting, the ministry said. The ASEAN standing committee in a meeting Jan. 16-18 decided to give the status of full-dialogue partnership to Korea, which took part in the regional body with the status of sectoral-dialogue partnership, it said.

The Kuala Lumpur conference will be not only a forum to discuss matters of mutual concern but also momentum to prompt economic cooperation among countries in the Asia-Pacific region, it said.

PPD Head Addresses Taegu Rally on Elections

SK2101020891 Seoul YONHAP in English 0115 GMT 21 Jan 91

[Text] Taegu, Jan. 21 (YONHAP)—Opposition leader Kim Tae-chung said Sunday his Party for Peace and Democracy (PPD) will come up with a constitutional revision to introduce the vice presidential system during general elections.

"The vice presidential system will be one of the planks in the party's platform during next year's general election to solve regional animosity," Kim said at a rally to launch his party's Taegu municipal and North Kyongsang provincial chapters here.

National unification is impossible unless Cholla and Kyongsang Provinces reconcile themselves, Kim told the crowd in the heart of ruling party territory, saying that having a vice president would solve regional antagonism. He appealed to voters in local elections this spring to be guided by the character, not birth place, of candidates.

Sin Chin-uk, a former lawmaker of Taegu, and Rep. Yi Tong-kun of PPD were elected to head the Taegu municipal and North Kyongsang provincial chapters of the opposition party, respectively.

Kim Tae-chung's Image Seen as Changing

SK1901023991 Seoul THE KOREA HERALD (supplement) in English 19 Jan 91 p 1

[From the "Political Wind" column in the weekend supplement section, by staff reporter Yun Chon-sok: "Kim Tae-chung's Image Change"]

[Text] Opposition leader Kim Tae-chung appears quite different these days. The image of a radical left-leaning opposition leader is apparently shifting to that of a moderate politician. What makes him want to show off this new image?

With the next presidential election in mind, Kim Tae-chung is anxious to look like a different politician, according to many political analysts. He wants to garner support from a broad spectrum of people, even the middle class. It seems Kim, president of the leading opposition Party for Peace and Democracy [PPD], thinks that without shedding his unfavorable public image of a leader of Cholla provinces, his probable last chance to win the 1992 presidential election is slim. He has unsuccessfully run twice for the presidency in the past.

The 67-year-old opposition leader, who had demanded the resignation of the government on numerous occasions, would no longer do so now. Kim even surprised many of his own party lawmakers when he said he would not oppose former President Chon Tu-hwan's return to his Seoul home Dec. 30 after two years of internal exile at a mountain temple. Kim then merely said Chon should stay away from politics. Earlier, the PPD demanded that Chon's Yonhi-dong home be returned to the national coffer, as he promised to do so in November 1988. Kim Yong-sam, executive chairman of the ruling Democratic Liberal Party, was reported to have initially voiced opposition to Chon's return to his Seoul home.

Kim Tae-chung's stance toward foreign governments, notably the United States, also seems to be changing. Kim repeatedly warned that Korea's headlong rush to improve relations with the Soviet Union should not inflict damage on ties with its traditional allies, mainly the United States. When the U.S. government requested Seoul's contribution to the U.S.-led international peacekeeping efforts in the Persian Gulf, Kim raised no objection, though he took a different position as to the dispatch of combat troops to the Gulf.

In recent news conferences, it appeared that Kim did not attack the United States severely, while he was engaged in "Soviet bashing." He has urged the government not to provide massive economic aid to the Soviet Union, citing plitical uncertainty in that country.

A foreign political analyst based in Seoul says Kim Tae-chung may be taking advantage of current uneasy relations between Seoul and Washington. Kim recognizes foreign countries' dissatisfaction with the Korean government's import policies, and uses it for getting close links with allies, the analyst says. One American Embassy official denies that Kim has been softer or tougher on the U.S. government. The official, who wanted to remain anonymous, said their "consultation" with the PPD is as usual.

Yet, according to some sources, Kim would say at informal functions, "I'm a pro-U.S. person." Choe Un-sang, special adviser to Kim on foreign relations, denies that Kim has eased his stance on the United States in connection with his political ambitions. "Kim is a politician who feels free to criticize whatever he thinks is wrong," said Choe. Party spokesman Pak Sang-chon also says Kim Tae-chung's attitude toward the government and the United States has not altered. "Please don't do too much imagining," Choe adds.

However, some other politicians disagree with the two PPD functionaries. Kim Hyon-kyu, acting president of the splinter Democratic Party [DP], says the PPD leader has obviously softened his political posture through the Sixth Republic, for he thought it is necessary to see his presidential dream come true in 1992. "Kim apparently does not want to see the current political climate changed," the DP leader argues. The small party has eight seats at the 299-member National Assembly.

Kim Tae-chung seems to believe that the current "honeymoon" between the PPD and the ruling party would guarantee him his nomination as a single opposition candidate, he asserts. "What he is afraid of most is the popular demand that the three Kims (Kim Tae-chung and two ruling party Leaders, Kim Yong-sam and Kim Chon-pil) retire from politics for the sake of political development in Korea," the DP leader contends. He, however, is concerned that the present close relationship between the ruling party and the PPD would ward off such demand. "That's why Kim has not called for the resignation of President No lately," Kim Hyon-kyu says.

Rep. Hwang Pyong-tae of the ruling party, who is close to Kim Yong-sam, also thinks that Kim Tae-chung's political position has changed. "I think Kim wants to be viewed by voters as a moderate politician now standing at the starting line for the 1992 presidential race," says Hwang, former president of Hankuk University of Foreign Studies. Hwang adds that Kim's change of attitude was quite visible after his party and the government party agreed to implement local self-government months ago.

Rep. Yi Hae-chon of the PPD says Kim Tae-chung believes that the upcoming local elections are vital to his presidential bid. What is in his mind is how to win the local elections, Yi says. Chang Yong-tal, vice spokesman of the PPD, shares the view. He says Kim is quite confident of winning the presidential elections and believes that the local elections expected in late March are very important to his strategy.

Dissidents Arrested for Violating Security Law

SK2501110291 Seoul YONHAP in English 0935 GMT 25 Jan 91

[Text] Seoul municipal police arrested two prominent dissidents and two others Friday on charges of violating the National Security Law.

They were charged of forming a pro-Pyongyang, enemy-profiting organization and contacting North Korea's committee for peaceful unification of the fatherland, according to police warrants.

The four include Yi Chang-pok, 53, standing chairman of a forerunner to the Pan-National Alliance for the Reunification of Korea, more conveniently known as "Pomminnyon," and Kim Hui-taek, 41, chief policymaker of the organization. Yi is also standing chairman of the umbrella dissident organization Chonminnyon and Kim is its secretary-general.

Ministry To Study Radioactive Waste Control

SK1401151091 Seoul THE KOREA ECONOMIC JOURNAL in English 14 Jan 91 p 4

[Text] The Ministry of Science and Technology will prepare in 1991 a five-year plan to promote research in basic science at academic institutions.

The ministry will increase investment in government-sponsored research and development projects at government and industrial laboratories.

In addition, the ministry will draft a master control plan for radioactive waste of atomic power plants to cope with the public's increasing concern about such waste. The master plan will include a program to dispose of medium- and low-grade radioactive waste and another for establishing a radioactive waste control fund. It will call for establishing rules governing the transportation of radioactive materials.

* DPRK Drive for Science, Technology Analyzed

912C0047A Seoul SIN TONG-A in Korean No 12, Dec 90 pp 212-228

[Article by Kim Chol-hwan, professor of metal materials science at the National Defense College: "North Korea's Science and Technology Levels—An Intensive Analysis"]

[Text] North Korea, from early on, has actively pursued policies seeking developments of science and technology [S&T] under slogans urging "modernization and scientization" of the people's economy, stressing that S&T is the most crucial key to economic development. In pursuing its S&T policy, North Korea has given priority to the heavy industry with main emphasis on the munitions industry under "the principle of self-reliance," "the principle of the masses" and "the principle of socialist emulation"—the principles that have been the policy basis in the S&T area since the 1960's. It adhered to the line of the so-called "chuche-oriented science," calling for industrial developments within the limits of domestic resources, technology, and manpower. Lately, faced with the waves of S&T internationalization, however, it came to recognize its own backwardness in this area. As a result, it has since 1975 been attempting to acquire S&T from overseas. It also launched technical innovation movements to attain socialist industrialization through the three technological revolutions which are aimed at dissolving the difference between heavy labor and light labor, at filling the gap between industrial labor and agricultural labor, and at freeing women from difficult household chores.

Especially, in the current Third Seven-Year Plan period (1987-93), North Korea is accelerating new technological development programs in the light industry sector and high-technology research and development [R&D] activities, with three percent to four percent of the national income invested in such S&T development programs. The 13th plenum of the sixth party Central Committee, held in March 1988, adopted a "Three-Year S&T Development Plan" aimed at lifting North Korea's S&T to the world's advanced levels; under this plan, priority S&T programs are under way in such fields as electronics including semiconductors and optical fiber communications, genetic engineering, biotechnology, substitute energy including solar heat and wind power, and thermal engineering.

At the same time, each ministry and committee under the State Administration Council established its own "long-term S&T development program through the year 2000" which is divided into two phases, 1987-93 and 1994-2000. To that end, North Korea has expanded promotions of S&T personnel to higher government posts since the outset of the 1980's, with a sharp increase of technical bureaucrats in the lineup of ministers and chairmen as a result.

Thus, North Korea, departing from its traditional line of self-reliance- type, chuche-oriented science, is now promoting technical innovations and frontier-science, high-technology developments through S&T exchanges with industrialized countries. In contrast to the heavy industry-first policy in the past, it now focuses on light industry programs with a direct impact on the people's livelihood.

To compare North and South Korean S&T policies, South Korea laid emphasis on developing big businesses under the export-first policy and at the same time stepped up an open industrial policy to develop high-technology industries, while North Korea pursued its closed-society policy adhering to the line of self-reliance-type, chuche-oriented science while pushing forward on a priority basis policies focusing on heavy industry and development of defense-oriented S&T from the very beginning. As the result, South Korea currently maintains much higher levels than North Korea in S&T thanks to its excellent research training programs and vigorous technology exchanges with industrial democracies, although the history of its S&T (beginning in the 1960's) is relatively shorter than that of North Korea (which began in the 1950's).

However, in South Korea, a bureau—which ranks lower than a ministry—is in charge of S&T administration and the S&T administration itself is horizontal and decentralized with shortcomings in the industry-university-research institute cooperation system while North Korea maintains a powerful, vertical-type central control of industry-university-research institute tie-ups.

Especially, as for bureaucrats with science and engineering backgrounds, they represent only two percent of ministers and vice ministers in South Korea while in North Korea, they account for 50 percent of minister- and vice minister-level officials, showing that North Korea treats them so much more favorably.

Meanwhile in S&T investments, South Korea invested an equivalent of 2.1 percent of its GNP in S&T programs in 1988 and three percent in 1990, the increase being minimal. But North Korea is showing a steady increase in its investment by investing an equivalent of three to four percent of GDP [gross domestic product] in the Third Seven-Year Plan period. Although ahead of North Korea in the absolute amount of investment, South Korea has shortcomings with its coordinating and control functions compared with the centrally controlled North Korean system.

Judging from these factors, North Korea is likely to show sustained developments in the S&T area in the future with strong policy support. It will draw extremely close to South Korea in the near future and may perhaps overtake it eventually.

Powerful Industry-University Cooperation System

The North Korean S&T education is aimed at training men into fully developed persons under the "creation of communist-type man" doctrine. To that end, students are asked to learn about technological achievements and high-level scientific theories attained by man and to apply the abundant experiences and technological theories thus gained directly to production. Through that process, North Korea sought to adapt itself to modern achievements in S&T and, at the same time, build the capability of solving various technical problems arising on the site of production independently.

The S&T education system, built on the basis of strong industry-university cooperation, has focused on solving realistic, practical problems encountered in places of production and construction rather than on theoretical things.

Especially, with a view to training technical personnel in large numbers, North Korea opened Pyongyang College of Science and many other institutes of technology, assigning superior students to such institutes. As a result, North Korean levels in such areas as mathematics and physics are considered remarkably high. Also, speaking of S&T schools, statistics as of the end of 1989 show that North Korea has more than 200 colleges, approximately 70 percent of which are devoted to technological studies. About 50 percent of those technological colleges are at factories, farms, and fishing centers. In order to promote academic theoretical R&D [research and development], research institutes under each university and the Academy of Sciences have their doctoral facilities and research facilities.

On the other hand, however, researches have their limitations due to shortcomings in the area of fundamental theories. Also, North Korea indeed has a relatively large number of educational institutes but their facilities are inadequate and educational levels are low. Moreover, they do not have all the competent scientists and technical personnel they need. In addition, North Korea uses the S&T education as a means to materialize the peculiar communist party ideology rather than to fulfill the essential values of humanity. These factors make it difficult for North Korea to accomplish what it calls the creation of diversely developed man.

Thus, the North Korean S&T education, putting greater emphasis on science, engineering, and technology than the South Korean system does, seems to be superior in its industrial application capability thanks to the powerful industry-university tie-ups. It is about the same with South Korea in the number of researchers—South Korea has approximately 58,000 of them; however, technical personnel are treated far better than in South Korea. Especially, the existence of Pyongyang College of Science—an equivalent of the Korea Advanced Institute of Science and Technology of South Korea—for the training of elite scientists shows that North Korea is making pains-taking efforts to foster superior manpower.

S&T research trends are largely divided into three categories—pure science-type theoretical research, development research for opening new fields, and application research directly connected with production. Compared with other countries, North Korea undertakes relatively more application and development researches; its theoretical researches are also largely fundamental ones connected with production.

In the research trends, application and development researches had been given relatively more weight through 1983; since 1984, however, theoretical research has sharply increased, accounting for more than 70 percent of the total research activities, while application and development researches have leveled off or diminished.

S&T Researches Directly Connected With Production

North Korea's S&T researches are dedicated to improving production processes and to fostering fundamental and applied sciences and high technologies. Thus, researches and production are directly connected. Research institutes are major organizations of the party, with their activities controlled by the party and the government rather than by the scientists' specialty or interests.

Characteristic of North Korean researches are that they, under the Soviet and East European influence, deal with many areas which are not taken up in South Korea, and that researches are outdated in themes and lack creativity and depth in substance. In contrast to its policy encouraging application and development researches, North Korea actually is laying emphasis on fundamental theoretical researches and, in fact, its S&T budget is inadequate.

Meanwhile, of the reference materials available, Soviet materials account for 40 percent, U.S. and West European materials 30 percent, Japanese materials 10 percent, and North Korea's own materials 20 percent. Thus, compared with the relatively high percentage of Soviet materials available, exchanges with advanced countries in technological information and materials are lagging. North Korea tends to lay emphasis on development of material technologies to make up for resources it lacks. In this connection, it is also a characteristic point that most of the research papers in this field are even failing to meet the established format.

Thus, the North Korean S&T researches are inevitably lagging in terms of research policies, circumstances surrounding them, investments, and in the exchanges of S&T information.

South Korea had 16.12 million in economic activity population, $95.1 billion in GNP, and $5,899 in productivity in 1986, whereas North Korea in 1984 had 8.61 million in economic activity population, $23 billion in GNP, and $2,671 in productivity. In nonmilitary technologies, North Korean levels are extremely low, producing only 3,000 units of products or so while South Korea turns out 100,000 units for the same time.

However, S&T levels vary with industries. In the case of the heavy chemical industry, North Korea has reached a fairly high level as a result of the government's priority programs. Also, in the manufacturing of various production machinery, North Korea has relatively high levels of technology. As for machine tools, it ranks with the advanced countries in the quality of products.

Especially, North Korea is blessed with underground resources and, as a result, has highly developed technologies in ore mining and smelting fields. In the iron and steel industry, it is known to have developed a self-powered ore-dressing method, an iron-making method without using bituminous coal to enhance the industry's self-sustaining quality. Consequently, it is thought that North Korea's technological accumulation in this field is significantly high.

However, as North Korea clings to a closed industry policy designed to establish what it calls chuche, products are extremely crude in quality and performance—and weak in international competitiveness, too. Also, in the chemical and light industries that are assigned low policy priority, qualitative levels of products are extremely low and the industries still remain labor-intensive.

Among other things, electronic, petrochemical and light industries are North Korea's most undeveloped sectors; especially, high technology is, in fact, virtually nonexistent in the areas of electric appliances and other daily necessities. Although North Korea currently produces some 30,000 kinds of daily necessities, they are mostly made at local factories as the result of an intensified self-supply system relying on locally-available raw materials. Consequently, it is expected that there will be injections of advanced technologies and facilities as well as concentrated investments and developments in the light industry sector in the future.

Closed Industrial Policy Focused on Heavy Industry

In the present status of industrial production, North Korea is lagging way behind South Korea in all but the zinc output (North, 295,000 tons; South, 265,000 tons).

In the energy industry in particular, while North Korea's coal output is estimated at 43.3 million tons, the actual production is below capacity due to deteriorations in productivity from the protracted, exhaustive mining and the depth extraction. The supply-demand situation involving coal is worsening because of the increasing demand of the chemical industry that uses coal as raw material, particularly following the opening of the Sunchon Vinalon Factory for partial operations, and because of thermal power plants that have been put into operations. Although the power-generating capacity is estimated at 6.902 million kilowatts, the obsolete equipment, the use of low-calorie coal at thermal power plants and other factors led to a decline in the rate of operation at the facilities and, as a result, there has been no gain in the actual electricity output. In fact, the electric power situation is further deteriorating on account of increases in demands from the electrification of railways and the opening of heavy chemical industry facilities for operations.

North Korea's oil refining capacity is 3.5 million tons. Facilities have not been expanded for years, however. The foreign exchange shortage from the protracted trade deficits and the Soviet economic crisis led to a decline in crude oil imports, which in turn cut the rate of operation at the refineries to a mere 74 percent. North Korea is lagging incomparably behind South Korea in everything related to energy except for coal and ferrous ores.

High Levels of Fundamental Studies

North Korea maintains considerably high levels in the fundamental studies areas. In mathematics, while paying less attention to algebraic research, it puts emphasis on applied mathematics such as differential equations and probability statistics for their relatively high rates of application in physics and engineering. Of all the fundamental studies, North Korea's researches and investments in the semiconductors, supersonics, and hydraulic engineering areas are relatively more extensive for their direct connections with industrial production and the manufacturing of munitions. It attaches special importance to researches on theories about properties of matter and theories concerning solid bodies that have close connections with the machine and electronic industries.

North Korea is also striving for nationwide geological analyses and evaluations of mineral ores that have direct connections with the metal and machine industries. In chemistry, it lays stress mainly on theoretical researches concerning fertilizer, insecticides, resin, rubber, synthetic fibers and paints. Especially, it is paying great attention to the theories concerning the manufacturing of nuclear bombs and the optical and quantum theories related to guided missiles.

Since liberation, North Korea, under its heavy industry-first policy, has put emphasis on the machine industry development; as the result, it is currently producing heavy machinery such as bulldozers, large-type excavators, high-speed engines, generators, transformers, electric locomotives and flats. The proportion of the machine industry increased from 5.1 percent in 1948 immediately after liberation to 33.7 percent in 1977; currently, the rate of self-supply in production machinery is as high as 98 percent. North Korea adhered to chuche-oriented science policies based on the principle of self-reliance, snubbing technological exchanges and cooperation with industrialized nations as well as acquisitions of advanced technologies through them. Consequently, it remains sluggish in technological developments.

In machine tools, North Korea created what it calls machine-tool production bases throughout the country, including the Huichon General Machine Factory (built in 1955) and the factories in Kusong (1955), Pyongyang (1956), Chongjin (1958), and Mangyongdae (1964). It launched two rounds of "machine-tool multiplication drive" to basically improve and strengthen technical provisions. Currently, it produces about 70 to 80 kinds of machine tools including all-purpose machine tools, large-type and special machine tools, the total annual production being approximately 30,000 sets. The rate of self-supply is relatively high at 90 percent. Since the 1960's, it has been exporting low-level milling and drilling machines and assembly-type imitation hydraulic lathes to underdeveloped countries like Pakistan and Bangladesh and to some East European countries.

Groping for Mechanization, Automation

In the electronics and automation industry, North Korea built more than 30 special plants—production bases for automation elements and instruments and special metal materials included—in various places across the country including Taean, Moranbong and Wonsan to produce meters, gauges, relays and breakers. As the ranks of scientists and technicians have expanded, North Korea now has its foundations laid on which to develop electronic and automation industries.

Especially, it is endeavoring to develop the machine tool industry based on modern S&T including electronics and to expand the production of numerical-control machine tools and robots. North Korea signed in September, 1987, an agreement with the Soviet Union on cooperation in the production of numerical control (NC) and computer numerical control (CNC) machines, which are all high-technology machine tools. Through that agreement and the dispatch of technicians, it is striving to acquire technologies it needs. North Korea is thus busy laying groundwork to produce various control devices for machine tools and robots. To that end, it invested $2.36 million in the latter half of 1989; with the support of the UN Industrial Development Organization (UNIDO), it will soon be producing NC-related products and conveyor and welder robots.

Furthermore, North Korea is actively computerizing machine manufacturing processes and introducing a flexible manufacturing system [FMS] to push forward the multi-variety small-quantity production. Through the specialized and concentrated casting, it brought the rate of stamp forging and press forging on machine parts to 95 percent for increased productivity. North Korea is thus pursuing mechanization and robotization of casting.

At the same time, North Korea launched active struggles to expand the kinds of machine tools available. As part of this struggle a production base for special machine tools is under construction at the Kusong Machine Tool Factory, while the Huichon Machine Tool Factory signed a cooperation agreement on production technology with the Soviet Gorky Machine Tool Factory in September 1987. North Korea has launched a "tool revolution" in an effort to improve the quality of tools and expand their varieties and production, using hard materials and ultra-hard materials to enhance durability and heat resistance.

Development of the precision machine sector began rather late and has barely reached levels where it can produce basic measuring instruments, bearings, sewing machines, and watches. The deficiencies in electronics technology and precision processing facilities make it difficult for North Korea to produce sophisticated, automatic machine tools like NC lathes on its own. Consequently, it depends on imports for major parts such as electronic and hydraulic devices.

Presently, North Korea has 12 factories exclusively for the production of precision machines. In the future, it is expected to put emphasis on the production of precision parts as it introduces precision machine tools, and on that of automation parts and their qualitative improvements as the automation or semiautomation of general industrial machines makes headway.

Auto Industry Backward and Stagnant

North Korea still depends on imports from the Soviet Union and East European countries for things like large-type steam-turbine generators for hydropower and thermal power plants. Only with medium- and small-size hydropower generators and thermal power generators for factories, does it appear to be on a self-supply basis.

In the area of electric motors, North Korea is currently exporting small-size electric motors to the Soviet Union and East European communist countries. With Soviet assistance, the construction started in 1975 of a small-size electric motors factory in Pyongyang. This factory is now in operation. To secure technical staff needed for its operations, North Korean technicians were sent to the Soviet (Elpa) Small-Size Electric Motors Factory in August 1979, for technical training. Early in 1981, another 20 trainees were sent.

North Korea is largely self-supporting with major raw materials for heavy electric equipment such as structural steel and cast iron and conductive, magnetic, and insulating materials. However, for magnetic and insulating materials for high-purity aluminum, ultra-high voltage transformers, large-capacity power generators—which all require frontier technology—it relies on imports.

In the auto industry, North Korea is 90 percent self-supporting with parts ranging from raw materials to engines. However, with no designing capability of its own, it imitates the auto production of the Soviet Union and East European countries. Its engines are low in terms of horsepower and the speed of revolution compared with their size and pressure and have deficiencies of workmanship in major precision parts. Because of these factors, the engine trouble rate is relatively high. Generally speaking, the auto industry is backward and sluggish.

In the shipbuilding industry, designing and steel plate processing are yet to be automated and, to make it worse, the prelaunch fitting-out rate is low, prolonging the time required for completion and adding to the costs. Consequently, North Korea is showing great interests in acquiring plants, equipment, and advanced technology. The total annual production capacity of the Nampo and other shipyards is slightly over 3.3 million tons. North Korea depends on imports for part of the electronic communication equipment and for most engines except 2,500-horsepower ones. The industry's self-support rate is 40 percent.

In metal industry technology, North Korea has devoted major efforts to fostering its iron and steel industry—which can be called the mother industry in the heavy industry development—on the basis of the abundant ferrous ore resources. While maintaining a fairly high level in the production of common steel, it produces more than 500 kinds of special steel and is even exporting part of them. For the type of special steel requiring a high degree of hardness, however, it relies on imports. The problem with the North Korean iron and steel industry is its obsolete systems and facilities and, because of this problem, its production is way below world or South Korean levels.

Rolled and Nonferrous Materials, Major Export Items

In the nonferrous area, North Korea produces a variety of metals, also on the basis of its abundant natural resources. In this area, too, it is seriously below world levels in terms of smelting technology and plant facilities. Efforts are under way to modernize the facilities.

In the iron-making and smelting branches, automation and semiautomation are being actively pushed. To that end, North Korea is strengthening cooperation activities to facilitate electronic technology imports from industrialized countries, Japan in particular. Exports to Japan of pig iron and rolled steel plates are on the increase consecutively every year. At the same time, construction-purpose steel bars, shape steel, and coil steel are being exported to various Third World countries.

North Korea completed a 500,000-ton hot-rolling shop in May 1976. As auxiliary facilities, the furnace for cracking, the crusher-roller, the heater, and the four-step reversal-type roller were built at the same time; as a result, the Kimchaek Iron Works became an integrated iron works. Currently, North Korea is continuing to expand its rolling facilities and production capacity, exporting manufactured products to East European and Third World countries.

Nonferrous materials are North Korea's major export items and they are exported to Japan, Europe, the USSR, and Communist China every year. Of North Korea's exports to West European nations, lead, zinc, copper, and silver account for nearly 70 percent to 80 percent in value; in the exports to Japan, too, they make up 20 percent to 30 percent every year. Therefore, North Korea is counting on its nonferrous metal industry with the backing of rich natural resources not only to meet domestic demands but also as a powerful means to develop foreign trade and economic cooperation with other countries.

In the chemical industry technology, North Korea pushed projects to lay the industry's foundations in the 1961-70 period. And under a self-dependent industrialization policy—pursuing development of domestically-available raw material resources and, on its basis, promoting the stabilization and improvement of the people's living conditions—chemical industry branches, including both nonorganic and organic, have grown rapidly.

In technology for basic chemical products, North Korea has continued sustained development and is stepping up the production of sodium carbonate, caustic soda, sulfuric acid, carbide, ammonia, and methanol. Besides meeting domestic demands, they are exported to other countries.

In North Korea, too, oil deposits remain unconfirmed, causing the lagging of the refining industry compared with other sectors. However, under the North Korean-Soviet agreement on economic and technological cooperation in the construction of oil refineries and petrochemical plants, signed in about 1967, it was decided to build the first oil refinery near the port of Unggi close to the Soviet border; as the first-phase project, the Sungni Chemical Factory, capable of processing 1 million tons of crude a year, was completed in September 1973. In 1979, with Soviet technical assistance, the second-phase project was completed, creating the capability of processing 2 million tons of crude a year. Also, in the Western region, the Anju petrochemical industry base capable of processing another 2 million tons of crude a year was built with Chinese technical assistance.

Focus on Light Industry Modernization

While in South Korea the light industry, led by big businesses, has risen to global levels and is competitive in the world markets—particularly in the fields of wool and other fiber products, televisions and other home appliances, footwear, and foodstuffs—it remains North Korea's most undeveloped sector. However, seeing the development of the light industry—together with the chemical industry—as the immediate task of socialist construction to solve the people's clothing, food, and housing problems satisfactorily, North Korea had designated 1989 as the "Year of Light Industry" and launched a modernization drive on its textile mills as well as on its daily necessities and foodstuff plants.

Especially, it developed natural and synthetic fibers under the lead of the Academy of Light Industry and, as a result, it is thought that the self-support rate and the processing levels in fiber materials are remarkably high. However, due to low levels of installation with high-performance textile machines, the industry cannot go beyond satisfying domestic demands and is hardly competitive at global levels. In electronics, the North Korean level is no higher than the assembly production of household appliances such as televisions. Their quality is generally inferior because of deficiencies in the semiconductor chip technology.

In the food industry, North Korea indeed has a sugar mill in Hoeryong but is lagging in food processing technology, including the kind of instant food technology which we have in South Korea. Consequently, it has since 1990 been devoted to development of light industry technologies, especially for such products as synthetic fibers, foodstuffs, synthetic resin, televisions, refrigerators, and other household appliances.

In the semiconductor industry, South Korea [as published] is mass producing 4M DRAM's [dynamic random access memory] and turning out 1M SRAM's [semirandom access memory]. It thus has world-level designing technology and process technology with memory chips; in the system area, however, it has scattered, unsolved problems.

It can produce chips such as low-integration general-purpose IC's [integrated circuit], audio- and video-purpose linear IC's and logic IC's but not VLSI [very-large-scale integration]-class IC's which is complicated in circuit designing. Nor can it produce specific-purpose VLSI's. Its microprocessing area is still in an elementary stage, turning out low-grade products.

Thus, the computer industry is markedly underdeveloped compared with other industries. It presumably built the capability for TR [transient response] and IC production in the latter half of the 1980's; the Electronics Research Institute under the Academy of Sciences succeeded in the trial production of medium- and small-scale IC's in 1987. Although the trial products appear to be for use in the manufacturing of modern electronic equipment such as computers, robots, NC [numerical control] machine tools, they will likely be put to application tests through the 1990's but not to practical use until the year 2000. North Korea is where the South Korean technology was in the middle of 1970.

At Pains To Develop Computer Technology

Currently, industrial democracies such as the United States and Japan are developing the fifth-generation computer that includes artificial intelligence functions. They are even ready to go ahead and develop super-high-speed optical computers and biocomputers with unlimited memory capacity. South Korea developed small-type computers in the early 1980's, following them up with the CP/M [control program for microcomputers] and UNIX [an operating system developed by Bell Laboratories] system. It developed the 32-bit VM [VM Software, Incorporated] and UNIX system in the mid-1980's and the multiprocessor computer systems in the late 1980's, thanks to its rapid development of electronics and semiconductor technologies. In the designing technology for computer structures, super-miniclass designing is possible. As for the peripheral equipment technology, South Korea—in the auxiliary storage area—is in the stage of assembly production for 5.25 FDD [floppy disk drive] and HDD [hard disk drive].

North Korea has been trying to develop computers on its own since the 1960's. Due to technological deficiencies in semiconductors and other electronics as well as shortages of research manpower, however, it remains unable to develop good, practical computers.

Nevertheless, North Korea has been striving to secure computer technology. For instance, in 1973 and 74, it imported many computers, including large-type ones, from Japan, France and Britain and installed them. The Academy of Sciences assembled a small-type computer using an Intel 8055-class CPU [central processing unit]. Also, by inviting computer specialists from, and sending its technicians to, the Soviet Union, East Germany, and UNIDO, North Korea has been striving for the development and application of computer technologies.

Especially, after importing Japanese Hitachi and Canon computers in the early 1980's, it built personal computers using basic language and cassette auxiliary storage devices, for use in technical training and educational programs and has since made major progress. Also, in the latter half of the 1980's, under policies seeking successful implementation of automation and modernization programs, North Korea imported a large variety of computers from the Soviet Union, Japan, Czechoslovakia, and IBM of the United States, ranging from PC's [personal computer] to small- and large-type computers, showing its continued efforts for technological developments in the computer area.

The North Korean automation technology is for industrial mechanization and for use in its auto and weaponry production. To that end, IC and computer technologies are under coordinated developments but largely remain at a level of semiautomation or central, remote control mode. However, North Korea is known to have achieved fairly high levels in the industrial automation area as seen in its NC machine tools and industrial robots. Lately, it has been striving to build and operate automated plants using advanced automation technology and electronic control devices.

To that end, North Korea sent specialists to UNIDO and advanced countries, Japan in particular, and to the Soviet Union and East European countries in 1990 for researches to develop automation technology. Courses at colleges are also being reorganized to effect qualitative improvement in the computer technology as the core of automation,

At World Levels in Some New Materials

In the new materials technology, South Korea has laid foundations for fine ceramics production to a certain extent but its industrialization effort is largely stagnant due to the vast capital required, risk burden, reluctance of advanced nations to transfer technology, and weak industrial bases of related businesses. Therefore, it is an area where international R&D support is urgently needed.

In the case of the high-molecular new material industry, South Korea achieved self-sufficiency in the area of all-purpose plastics toward the end of the 1960's. Even a plant for large-scale production of engineering plastics was put into operation recently and prospects are highly promising for development of new uses and commercialization of products. Also in the metal new material area, South Korea recently developed a nickel-based alloy used for turbine plates and chemical containers.

On the other hand, North Korea, from early on, put emphasis on heavy industry and the machine industry and consequently is way ahead with the machine tool material (high-speed steel) technology, technology on the use of tungsten, and the artificial diamond manufacturing technology. Especially, it is known to maintain a global level in the manufacturing of aluminum powder. North Korea recently began research on silicon nitride for a frontier technology in fine ceramic.

Of all its technologies on materials, however, compound materials are North Korea's most underdeveloped area and are only good enough for household implements production. On the other hand, it is presumed that North Korea has achieved markedly high levels in the manufacturing technology for ferrite powder that can be used as material to absorb electronic waves, and in the selecting and synthesizing technology for high molecule substances for solvents and bonding materials.

North Korea's Military Technology Levels

North Korea had set forth its basic policy directions based on Kim Il- song's chuche ideology of "self-reliant national defense"—an effective combination of highly efficient modern weapons and less efficient weapons, operations of weapons systems that fit in with characteristics of the terrain in the Korean peninsula, operations of weapons systems based on the strategy of surprise attack and the speed battle, as well as development and production of unique North Korean-type weapons—and along these lines it has developed its military S&T and weapons systems.

At present, North Korea is among the world's leading military giants as far as conventional arms are concerned, maintaining diverse weapons systems ranging from old-type, obsolete weapons to high-performance precision ones, which, like in most of the communist countries, primarily consist of Soviet-made weapons. Meanwhile, it appears that North Korea will sooner or later be capable of making nuclear weapons, a fact posing a serious threat to our security.

To compare military S&T in each category, South Korea in the ground weapons area developed and deployed for combat purposes 88-ROK tanks and armored cars. It remodeled M-47 and M-48 tanks for higher performances and qualitative improvements. It also acquired technology and produced 500MD helicopters in conformity to the Korean terrain and the demands of tank warfare.

North Korea has the capability of designing and manufacturing small arms and guns totally on its own. It is self-developing and self-supplying materials for firearms such as carbon steel and chrome steel. As for tanks, it has not yet fully developed its own designing capability, but is capable of imitation designing. In the case of T-72 tanks in particular, North Korea is producing them domestically with Soviet support.

North Korea has the capability of independent designing and imitation designing on power and suspension devices for mobile equipment, although it is experiencing difficulty in the development of new-type armor materials like ceramics. Inasmuch as it has experience in the production of heavy-class vehicles, its technology seems to be at fairly high levels in heat treatment, welding, cutting, and instrumentation. However, due to a lagging in electronics, it is presumed that in the computer and laser application areas that are essential to firing control, North Korea is in the phase of basic research.

In the maritime-weapons areas, South Korea, besides the existing warships, has been developing, and deploying for combat purposes, ROK-type warships of superior performance, including escort and patrol ships, guided-missile and high-speed boats, to make up for the numerical inferiority. In the shipbuilding area, North Korea can mass produce submarines and, based on its experience in shipbuilding in recent years, it is considered to have reached fairly high levels in the designing technology on high-speed vessels.

Also, North Korea can self-produce ship steel and other materials and supplies needed in warship building. While importing high-tension steel and other special materials from Japan and elsewhere, it maintains the processing and welding technologies for the hull. Although North Korea is not fully capable of independently developing or designing warships, it presumably has the designing capability for remodeling existing ships. The designing for each type of ships is largely standardized by modes imitating foreign ships or based on experience.

Producing Scud Missiles on Its Own

North Korea's submarine technology is particularly noteworthy. In the 1960's, it imported submarines from the Soviet Union and China to secure servicing and maintenance abilities. It has since the 1970's completed imitation designing and mass-production systems for R-class submarines. North Korea also has the capability of designing and building small-type submarines independently.

In the aeroweapons technology, South Korea gained its military and nonmilitary aircraft maintenance capability by the mid-1970's and, on that basis, started its aeroindustry in real earnest; the licensed production of the 500MD helicopter and the servicing of military aircraft by Korean Air Lines came in 1976, and the engine servicing on military planes by Samsung Precision in 1979. The assembly production of F-5E fighters began in South Korea in 1981 and, since then, South Korea's aircraft production has made great strides.

At the outset of the 1980's in particular, South Korea began the assembly production of helicopters, fighter planes and engines as well as exports of fuselage and engine parts.

South Korea has lately been participating in the international joint developments and production of helicopter fuselages and fuselage parts for B747, MD-11, MD-80 and various other large-type airliners, earning more than 60 billion won in 1988. The earning rose to a 900 billion-won level in the middle of 1990 and an annual growth as steep as 31 percent is expected. Recently, South Korea, with a view to fostering the domestic aeroindustry, also began the F-18—the next-generation fighter—production through the introduction of technology. It is thus stepping up efforts to secure aeroindustry technology.

North Korea developed its own maintenance capability for its Air Force that grew rapidly with the Soviet and Chinese aid after the outbreak of the Korean war. Based on that capability, it appears to be self-producing the required parts. Meanwhile, since the beginning of 1970, North Korea has made painstaking efforts to achieve the goal of manufacturing MiG fighters on its own, expanding plants and introducing the technology. It began by importing partly assembled parts and turning them into completely assembled parts. And through the phases of technology accumulation and the buildup of a parts manufacturing capability, North Korea presently has the capability of producing fighter planes under technological tieups.

Especially, in the materials for aircraft, North Korea has developed and is self-supplying most of them except precision materials such as titanium and other special steel for high temperature and special glass. It is anticipated that North Korea will have the synthesizing technology for application in the mid-1990's to produce special steel, special glass, and other precision materials.

In the aircraft-designing technology, it is known that North Korea had lacked until the 1980's such special facilities as wind tunnels essential in the designing process, and had to make great efforts to acquire technology in that area. The accumulation of technology is likely to begin in the early 1990's when it will come to have the main facilities it needs.

It is unlikely that North Korea has the capability of producing fighter planes on its own; however, judging from the fact that the technology introduction and production is under way on MiG-21's and that aircraft manufacturing-related facilities are under construction in large numbers, it appears to have accumulated a substantial amount of technology in the fuselage-manufacturing area. Nevertheless, North Korean potential in aeroelectronics and communication technologies are considered seriously backward.

As regards guided missiles, due to the backwardness of the electronic industry, it is seen as difficult for North Korea to produce them on its own. Seemingly, however, it will be able to produce antitank missiles (AT-1, AT-3) if technology and major parts are imported from other countries.

In the materials development technology, North Korea is seen to have no development capability yet for infrared rays, optical electronics, and precision machines, but appears capable of self-supplying materials for missile bodies, warheads, and propellers. In the meantime, although it has the designing capability on hardware, that on software appears to be no better than a level of conceptual designing. However, owing to Chinese and Soviet technical support and its own intensive research, North Korea is likely to secure its system-designing capability within the next several years.

Also, despite the lack of development capability for infrared rays and search aircraft, North Korea is producing SA-7's. Judging from this point, North Korea must be producing, either independently or by imitation, some parts by an assembly production mode based on disassembling and foreign-supplied parts, and with Soviet technical assistance. North Korea appears to be producing Scud-B missiles presumably either by imitating Soviet Scud missiles or independently with Iran's financial support and Egypt's technical support.

North Korea's electronic communication equipment is a field most underdeveloped as a victim of the policy giving priority to heavy industry. Products are limited to military telephones and small-type telephones. For things like binoculars, telescopes, and night-vision equipment, it makes them with imported precision parts and by imitating Soviet products.

Especially, with high-precision technologies—including those involving guiding and control devices for missiles and various monitoring equipment for military use, and laser-applying technology and optical communication technology—North Korea presumably still lies in an elementary stage. It is an area, however, on which North Korea is likely to concentrate its development efforts in the future. Should it successfully import technologies from Western industrial democracies, it appears possible to reach an application phase in the 1990's and embark on their practical use in the 2,000's.

To Develop Nuclear Weapons Within Three to Six Years

Views widely differ on North Korea's ability to develop nuclear weapons. First of all, North Korea has a natural uranium mine in a hilly area north of Pyongsan 50 kilometers northwest of Panmunjom producing quality ores of a 0.5 percent-0.8 percent concentration that can be used directly as reactor fuel after electric refining processes. The deposits are estimated at 26 million tons. At present, North Korea has approximately 2,500 nuclear specialists. Although it became a signatory of the Nuclear Nonproliferation Treaty (NPT) in 1985, it has been refusing to sign a nuclear safety agreement with the International Atomic Energy Agency (IAEA). Judging from these points, the possibility of North Korea's developing nuclear weapons seems basically high.

Let us take a look at nuclear power facilities in North Korea. An experimental 1,000-kw nuclear reactor was imported from the USSR and installed in Yongbyon in June 1965 (upgraded to 3,000 kw's in 1970), marking the start of nuclear power research. An agreement was reached with the USSR in December 1985 on the construction of a 1.76 million-kw nuclear power plant. In December 1986, a second experimental reactor (30,000 kw's) was installed in the Yongbyon nuclear power research center. Also, the construction of a third nuclear reactor (200,000 kw's) began in 1985 for scheduled completion in 1992.

North Korea began the construction of nuclear fuel reprocessing facilities and nuclear processing facilities in 1985, which are likely to be completed within the next two to three years. It also has a nuclear bomb detonator testing facility where high explosion tests were carried out on about 70 to 80 occasions between 1983 and now.

North Korea retains more than 3,000 persons in research manpower and technical personnel. If it increases investments to develop nuclear weapons at the point of time when it has developed technologies for uranium ore dressing and refining, nuclear fuel rod manufacturing, and for nuclear fuel reprocessing processes to obtain plutonium (Pu-239), it can be anticipated that North Korea will come to have nuclear weapons in three to six years' time.

North Korea, following the Soviet S&T policy with foreign countries as an example, has so far held to closed policies keeping the training of essential technical personnel and S&T researches on a self-dependent basis. In fact, however, it has come to the limits of such developments. Battling to overcome the limits of its self-reliance policy, North Korea has lately been making all-out efforts to acquire new S&T from Japan and other Western nations and to imitate them.

North Korea enacted in September 1984, a joint venture law to promote economic and technological exchanges and joint investments with foreign countries. It also revised its old "cooperation" pattern of agreements signed with communist and Third World countries, replacing it with the private-exchange pattern. The North Korean principles of S&T exchanges include these points: international developments of resources owned by a third nation; mutual exchanges of experience and technology; profitable utilization of oil resources and use of the accumulated funds for further developments; and further strengthening of the international revolutionary forces and their solidarity.

Expanded Technological Exchanges With Foreign Nations

Thus, North Korea is showing a shift from its past doctrine of self- reliance-type isolation to multilateral relations, and from the government-led exchanges to nongovernmental ones. It is also attempting to conduct political, diplomatic and military exchanges simultaneously, modifying the pattern of politics-free S&T exchange in the past. Of late, as a result of the liberalization of East European nations, exchanges with them have diminished and, instead, exchanges with Western nations such as Japan, Germany, France, and Austria have increased.

In reference to its Third Seven-Year Plan currently under way, North Korea declared: "The most important task in fulfilling the Third Seven-Year Plan is to develop S&T and strengthen the technological innovation movement and thereby to accelerate technological improvements of the people's economy vigorously." In short, stressing that "we are in an S&T era," it is putting unprecedented emphasis on the importance of S&T in economic developments.

It is expected that North Korea will in the future further expand its S&T exchanges with capitalist countries as well as with socialist nations to acquire advanced S&T while pushing forward its own fuel development and S&T developments utilizing such fuel in keeping with the "line of the self-supporting economy."

In connection with Nordpolitik, our government and the private sector recently proposed North-South S&T exchanges. For the sake of a long-term buildup of environments conducive to peaceful reunification, an accelerated opening of the North Korean society through gradual expansion of exchanges into other areas, and for the sake of a balanced S&T development and its peaceful utilization between South and North Korea, they see S&T exchanges in nonmilitary areas as highly desirable. Such exchanges will eventually become the basis of economic developments of the North and the South as a national community and ultimately of the restoration of homogeneity, and the easing of tension between the two parts of Korea.

Burma

'Parallel Government' Leaders Surrender to Military

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[Text] Rangoon, Jan 25 (AFP)—Two members of a newly-formed parallel government of opponents to Burma's military regime surrendered last week and have since been brought to Rangoon for questioning, a top Burmese leader said Friday.

They were Trade Minister Than Kywe and Agriculture Minister Myint Aung, Major General Khin Nyunt told a press conference.

The formation of the parallel government had been announced in Manerplaw, near Burma's border with Thailand, on December 18.

Maj. Gen. Khin Nyunt, a member of the State Law and Order Restoration Council (SLORC), the official designation of the military regime which took power in September 1988, said the two had given themselves up at the Burmese Embassy in Bangkok last Saturday.

They surrendered "because they were against armed revolt," said Maj. Gen. Khin Nyunt, also chief of military intelligence.

"They have returned to Yangon (Rangoon) on January 23 with the cooperation of the Thai authorities and are presently undergoing a debriefing," he said.

"We are looking after them well, and will continue to question them about the situation at the border," Maj. Gen. Khin Nyunt said.

The parallel government, calling itself the National Reconciliation Government of the Union of Burma, in a declaration marking its formation under the premiership of Dr. Sein Win, has vowed to overthrow Rangoon's military government.

According to reliable sources, eight members of the All Burma Students Democratic Front, have also given themselves up to military authorities. No further information was available.

At his press conference, Maj. Gen. Khin Nyunt also said an attempt by saboteurs to infiltrate Rangoon, free opposition leader Aung San Suu Kyi and other detainees, attack a number of targets in Rangoon had been foiled.

Mrs. Aung San Suu Kyi, head of Burma's main opposition party, the National League for Democracy, has been under house arrest since July 1989.

Maj. Gen. Khin Nyunt said a team of 15 saboteurs had been caught in a security dragnet following an attempt by two of them to attack radio installations.

"They were instructed to attempt the rescue of Daw (Mrs.) Aung San Suu Kyi as well as to bomb prisons, so that the so-called prisoners could escape," the SLORC official said.

He said an intensive search by security units had also recently led to finding arms caches in several locations on the outskirts of Rangoon.

"Interrogation of captured saboteurs revealed that the arms and ammunition had been brought to Yangon from the KNU [Karen National Union] Manerplaw base at the Thai-Burmese border in two separate trips in June and August of last year," he said, referring to the Karen National Union, the strongest of some one dozen ethnic insurgent guerrilla groups in Burma.

Yunnan Delegation Meets Foreign Affairs Official

BK2401141491 Rangoon Domestic Service in Burmese 1330 GMT 24 Jan 91

[Text] A Chinese sports delegation headed by Mr. Wu Zhongning, head of division of the Foreign Office of Yunnan Province, visited the Foreign Ministry annex at noon today and called on U Ohn Gyaw, director general of the Foreign Ministry's Political Department. Also present on the occasion were Mr. Cheng Ruisheng, PRC ambassador to Myanmar [Burma].

The Yunnan delegation visited the Shwedagon pagoda at 0900 and the fisheries museum and the Yangon zoological gardens in the afternoon.

Brunei, Malaysia & Singapore

Malaysia

Bomb Defused Near American Airlines Office

BK2501091091 Hong Kong AFP in English 0905 GMT 25 Jan 91

[Text] Kuala Lumpur, Jan 25 (AFP)—Police Friday defused a bomb near the office of the American Airlines in the city's diplomatic quarter, a senior officer said.

He said that the crude device was found some 20 metres (yards) from the airline office on the second floor of a commercial highrise that also housed the Swedish, Danish and Norwegian embassies.

The bomb was defused after the building on busy Ampang Road was evacuated.

Police evacuated the building after its owners received a telephone call saying that a bomb was about to go off.

"There is a bomb in the building. Don't try to trace this call," the caller reportedly told a telephone operator shortly before the lunch break.

The incident occured as riot police beefed up their presence outside the United States, French and British missions following reports that Moslem groups were planning demonstrations to protest the Gulf war after Friday prayers.

Further on Bomb, Muslim Protests

BK2501115091 Hong Kong AFP in English 1130 GMT 25 Jan 91

[Text] Kuala Lumpur, Jan 25 (AFP)—Police Friday defused a bomb near the office of the American Airlines amid claims by Moslem fundamentalists that Prime Minister Mahathir Mohamad was supporting the United States in the Gulf war.

Police said a crude device was found some 20 metres (yards) from the airline office on the second floor of a commercial highrise on Ampang Road in the heart of Kuala Lumpur's diplomatic quarter.

The U.S. Northwest Airlines has an office on the same floor of the building which also houses the Swedish, Danish and Norwegian Embassies.

Police evacuated the building during the busy lunch hour after its owners received a telephone call saying a bomb was about to go off.

"There is a bomb in the building. Don't try to trace this call," the caller reportedly told a telephone operator.

The incident occured as riot police beefed up their presence outside the United States, French and British Embassies following reports that pro-Iraqi Moslem groups were planning demonstrations after Friday noon prayers to protest the Gulf war.

Several diplomatic missions and the international school for children of foreigners and diplomats have received threatening phone calls over the past few days, sources said.

Security and diplomatic sources said at least three Iraqis turned out from Thailand and the Philippines because of possible terrorist links had quietly slipped into Malaysia during the past two days.

There was nothing to suggest, however, they were linked to the bomb found, the sources said.

The three include Muwafak al-'Ani, an Iraqi diplomat, who was expelled by the Philippines Thursday for his alleged involvement in a botched bombing attempt on the Thomas Jefferson Cultural Centre in Manila.

Mr. Muwafak, 41, his wife and two yong sons were expected to leave for the Middle East soon, the sources said.

"I don't think any action will be taken against them, not unless they are involved in something illegal here," a security source said.

Fundamentalists in the Parti Islam have attacked Dr. Mahathir for supporting U.N. resolutions demanding an Iraqi pull-out from Kuwait and have begun recruiting volunteers to join Iraqi President Saddam Husayn's "jihad" (holy war.)

Dr. Mahathir has denied all allegations and said Malaysia stood on the side of justice in demanding an end to the Iraqi occupation of Kuwait.

On Thursday he called for a halt to the U.S.-led bombing, that he said was destroying Iraq, in return for an immediate Iraqi pull-out from Kuwait.

Dr. Mahathir has also expressed support for an Iranian move to convene the 46-member Organisation of Islamic Conference (OIC) to discuss peace in the Gulf.

Iranian President 'Ali Akbar Hashemi-Rafsanjani met Thursday in Tehran with Syrian Vice President 'Abd al-Khalim Khaddam who said they had to keep "enemies of Islam and Israel" from harming Islamic interests, the Iranian news agency IRNA reported.

They also appealed for an emergency meeting of the OIC, and IRNA announced later that Tehran would soon unveil a plan for peace in the Gulf. The official agency gave no details.

Prime Minister Postpones Visit Due to Gulf War

BK2401152691 Kuala Lumpur Domestic Service in Malay 1430 GMT 24 Jan 91

[Text] Singapore Prime Minister Goh Chok Tong has decided to postpone his visit to Brunei, Thailand, and the Philippines, scheduled for next month, due to the Gulf war. A new date for the visit will be set.

Chan Heng Wing, the prime minister's press secretary, announced the decision today. After he assumed the post of prime minister last November, Goh Chok Tong had made official visits to Jakarta and Kuala Lumpur.

Iraqi Volunteer Force Said Only for Malaysians

BK2401015991 Bangkok THE NATION in English 24 Jan 91 p B3

[By Sonny Inbaraj]

[Excerpt] An opposition Muslim fundamentalist party in Malaysia that is currently recruiting volunteers to fight and do relief and medical work for Iraq, gave an assurance yesterday that the recruitment drive is only for Malaysians and not for Muslims in southern Thailand.

In a telephone interview with THE NATION, Parti Islam Malaysia (PAS) Information Chief Haji Subky Latiff said the recruitment was within the country.

"Thailand has no reason to worry that we will seek Muslims from the southern provinces. The drive is only for Malaysian Muslims," he said.

The government of the northeastern peninsular Malaysian State of Kelantan bordering southern Thailand is led by PAS. In the Malaysian general election held last October, PAS captured Kelantan State from the ruling National Front.

Haji Subky said PAS was not interested in encouraging any separatist sentiments among Muslims in southern Thailand and was more interested instead in developing economic ties with Kelantan's northern neighbour.

"We have been misunderstood all along and often been called fanatics. That's a wrong notion actually. What we are interested in is developing ties with Thailand in the context and spirit of ASEAN," said Haji Subky.

Haji Subky said Kelantan would be sending an economic mission to Bangkok soon to woo investors to the state.

The PAS information chief also said Thailand would be interested in investing in Kelantan because a huge inshore deposit of oil had been discovered in Tumpat, an area near the Sungei Kolok basin.

Earlier, Haji Subky told THE NATION that PAS considered the war in the Persian Gulf as jihad (holy war).

Since Monday, the fundamentalist party had gone on a recruitment drive for Malaysian volunteers to go to Iraq, and Haji Subky said by the end of the week the party hopes to get about 10,000 volunteers.

"Due to an overwhelming response, we had to do away with our previous age limits of between 20 to 30 for the volunteers. Now there is no limit. Any Malaysian Muslim above the age of 20 is free to sign up as a volunteer," he said.

Haji Subky said PAS had received many inquiries about volunteering in Iraq from Muslim doctors and medical officers in the Malaysian civil service. "That's a very encouraging sign as we want to provide as much relief as possible in terms of professional help to the Iraqis," he added.

On the question of footing the bill for the Malaysian Muslim volunteers, Haji Subky said PAS was still working out the details.

"Though we have a membership of about 300,000, our funds are limited as we are a grassroots party. Some Muslim individuals have pledged certain amounts and we also hope to raise funds through donations."

Haji Subky said the Iraqi Embassy in Kuala Lumpur would make the necessary arrangements for the Malaysian volunteers to travel to Baghdad.

Deputy Home Minister Megat Junid Ayub said on Monday that the Malaysian government could not stop PAS-recruited volunteers from going to Iraq if they had valid travel documents.

Prime Minister Mahathir Mohamad's government had backed the UN resolution calling for an Iraqi withdrawal from Kuwait. [passage omitted]

Commentary Views Country's Stand on Gulf War

BK2501100991 Kuala Lumpur International Service in English 0800 GMT 25 Jan 91

[Station commentary]

[Text] After a week since it began, the Gulf war seems nowhere near coming to an end. In fact, what started off as a seemingly brief and swift affair now points toward a long and bloody battle. The world is beginning to feel weary over hearing or watching the gruesome happenings being repeated daily. At the same time, people around the globe are becoming sickened by the increasing toll in lives, destruction of properties, and serious damage being caused to the environment. The question being asked [words indistinct] when the war will end.

Malaysia has made it clear that it does not take sides in this Gulf war. Prime Minister Dr. Mahathir Mohamed has outlined Malaysia's stand that it does not condemn anyone, but is on the side of justice. She does not and will not withdraw its support for the UN resolution on Iraq's withdrawal from Kuwait because she does not agree with the conquest of one country by another. Malaysia had adopted the same stand in other events, for example, Vietnam's attempt to capture Cambodia, the Soviet Union's similar efforts in Afghanistan, and the United States' show of might in Panama and Grenada.

When Malaysia was a nonpermanent member of the UN Security Council until December last year, she had to go along with the resolution [words indistinct] to force Iraq to end its occupation of Kuwait, but she did voice her objection to the use of force, maintaining the stand that sanctions, which had previously been imposed, should be allowed to take their natural course. Malaysia was not in favor with [words indistinct], when the United States wanted to use aggression to force Iraq out of Kuwait. Malaysia still maintains the stand that Kuwait should be freed, but does not agree with the destruction of Iraq in the process.

The picture we get from the Gulf war is one that is (?distributed) by the U.S. media and censored by its military. We are not fully aware of the extent of destruction that has taken place, especially on civilian targets. Malaysia, like all other peace-loving nations, is against the wanton killings, maiming, and sufferings of innocent people, who have nothing to do with the dictates of powerful individuals or governments.

Malaysia has not linked the Iraqi withdrawal from Kuwait with the question of Palestine. As Dr. Mahathir had stated, Iraq did not, at the start of its invasion of Kuwait, mention the desire of liberating Palestine. However, if such a linkage can lead to a peaceful solution, then it is welcome. This is the reason behind Malaysia's offer to host or participate in an international conference on west Asia, which can deal with all issues concerning the region, including the Palestinian question.

Malaysia will continue to exert moral pressure on the United Nations to make efforts to end the war. The sooner an amicable solution can be found and the conflict brought to an end, the easier the citizens of the globe can breathe in the atmosphere of a more peaceful world.

Cambodia

VONADK Reports Battambang Military Situation

BK2501033791 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 24 Jan 91

[Text] I. The Vietnamese enemy and puppets have plans and are carrying out military maneuvers to regain control of the liberated zones of our national resistance forces on the Battambang-Route 10-Sangke River battlefield. They have used Vietnamese infantry troops, such as the 330th and 309th Divisions, the old and new 4th Division, and the independent division; Soviet-made tanks and Soviet-made 122-mm and 130-mm multiple rockets; and various types of artillery pieces. All these Soviet weapons were recently brought in by 10,000-tonne ships for the Vietnamese and Phnom Penh puppets on 5 January 1991.

The Hanoi Vietnamese enemy aggressors and puppets Hun Sen, Heng Samrin, and Chea Sim are making efforts to launch large-scale operations on the Battambang-Route 10-Sangke River battlefield with the aim of scoring military results for their propaganda to show that they are in full control in Cambodia and that there is no need for the UN Security Council [UNSC] peace plan and the Jakarta statement setting up the Supreme National Council, and in particular to get the world to accept as a fait accompli the act of aggression of the Hanoi Vietnamese enemy and its puppet regime propped up in Phnom Penh.

Furthermore, the Hanoi Vietnamese enemy and puppets Hun Sen, Heng Samrin, and Chea Sim, Vietnam's lackeys, have launched operations on the Battambang-Route 10-Sangke River battlefield in order to:

1. Counter the activities of the UNSC and the cochairmen of the Paris International Conference on Cambodia [PICC] and the world's activities to get the Hanoi Vietnamese enemy aggressors and puppets Hun Sen, Heng Samrin, and Chea Sim to accept the UN peace plan, and

2. Take advantage of the war in the Middle East to score some sort of military results, reasoning that no one will think of the Cambodian problem anymore, and to use this to silence others diplomatically.

II. In fighting during the past two weeks, particularly from 20 to 23 January, here are the results of our national resistance forces' activities:

On the Route 10 front:

1. In front of and on both sides of Route 10 we destroyed 22 large, medium, and small positions of the Vietnamese enemy and puppets, including two regimental positions on the hill defending Sdau. Since 21 January we have been in control of high points adjoining Route 10, particularly adjoining Sdau, O Andong, and Treng. The forward command post of the 5th Military Region of the Vietnamese enemy and puppets located in Sdau and the command of the 330th Division of the Vietnamese enemy and puppets, and the old and new 4th Division in Sdau, O Andong, and Treng are now below us and within range of our mortars and handguns.

2. We killed 260 enemy soldiers and wounded 400 others from Vietnam's 330th, 309th, and the old and new 4th Divisions, from the puppets troops in the 196th and 4th Divisions, and from the provincial forces of Battambang and Kandal. Hundreds of others have deserted. Many regiments in each division, particularly in the provincial forces, have been completely destroyed and smashed.

3. We destroyed over 80 percent of positions and warehouses of the Vietnamese enemy and puppets in Sdau, O Andong, Treng, Boeng (O Ta Lou), and (Peng Ang).

4. We destroyed six T-54 tanks, 12 large military trucks, two 122-mm artillery pieces, and a battery of 122-mm and a battery of 130-mm multiple rockets.

5. We are constantly attacking and dispersing the positions of the Vietnamese enemy at Phnum Sampeou and from Phnum Sampeou to Andong Pring. This has caused great panic among the Vietnamese enemy and puppets along Route 10 and at Phnum Sampeou, Andong Pring, and Battambang.

III. Here are the results for the southern part of the Sangke River front:

1. We destroyed positions of the 95th Brigade of the Vietnamese enemy and puppets on the top of Taphde Hill; a small number of remaining troops fled to set up positions along Route 5.

2. The positions at Svay Teap and Reang Kesei along the railway line have also been basically swept and destroyed.

3. The positions at Prey Svay and Prey Totoeng west of Reang Kesei have also basically been destroyed.

4. We basically destroyed the command post of the Vietnamese enemy and puppets and the Battambang provincial forces at Banan. Vietnamese and puppet officers at this position retreated to Bay Damram and Chheuteal. Along the Sangke River, from Roung to (Kanghep) and from (Kanghep) to (Kompong) up to Banan, we have basically swept and destroyed positions of the Vietnamese enemy and puppets. Our national resistance forces continue to attack and put pressure on enemy positions at Bay Damram and Chheuteal.

IV. The military activities on the Battambang-Route 10-Sangke River battlefield between the Vietnamese enemy and puppets on the one hand and the national resistance forces on the other have resulted in the following political reactions:

1. The people in Battambang Province, particularly in Battambang town, have clearly seen the face of the Vietnamese enemy and puppets who oppose the UN framework document and peace plan and persist in committing aggression against and occupying Cambodia. Thus the people in Battambang are very angry, have cursed the Vietnamese enemy and the Hun Sen, Heng Samrin, and Chea Sim puppets, and have actively cooperated with us by calling back their relatives and children, who have been forced to serve the Vietnamese enemy and puppet leaders in villages and communes and on battlefields.

Thus, while the national resistance forces are smashing the major regular troops of the Vietnamese enemy and puppets Hun Sen, Heng Samrin, and Chea Sim, the people have expressed great joy and written to the national resistance forces to launch more vigorous attacks from outside and into Battambang town so the people in the town and on its outskirts can prepare to fight the Vietnamese enemy and puppets when the national resistance forces attack the provincial town.

2. Militiamen, guerrillas, and various civil servants in Battambang town—who have been forced into service by the Vietnamese enemy and puppet leaders—have also expressed joy at the activities of the national resistance forces to smash and destroy large groups of troops among the regular divisions of the Hanoi Vietnamese enemy aggressors and puppets. They are now waiting for the time when the national resistance forces' attacks reach Battambang town's outskirts to rise up and decisively fight the Vietnamese enemy and puppets militarily, politically, and economically in Battambang town.

3. Cambodian soldiers, particularly those from the Battambang and Kandal provincial forces, district forces, and especially those soldiers who speak Thai, took advantage of the attacks by the national resistance forces against the Vietnamese enemy and puppets and deserted.

4. The reaction of the Vietnamese enemy and puppets on the Battambang-Route 10-Sangke River battlefield in the 5th Military Region is one of great confusion and panic. They do not know what to do. The Vietnamese enemy and puppets no longer use secret telegraphic communication channels. They are in a hurry and have in a panic used only radio communications to ask for assistance. The people in and outside Battambang town, Cambodian soldiers, and civil servants—except a handful of Vietnamese officers—are praying for the death of the black-toothed Hanoi Vietnamese enemy aggressors, Hun Sen, Heng Samrin, and Chea Sim, who are puppets and Vietnam's out-and-out lackeys. The black-toothed Hanoi Vietnamese and puppets Hun Sen, Heng Samrin, and Chea Sim should fully accept the UN document and peace plan.

Sihanouk Condemns SRV Insistence on 'Status Quo'

BK2501075191 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 24 Jan 91

["Samdech Norodom Sihanouk Denounces the Phnom Penh Puppets for Rejecting the UN Plan To Disarm Their Troops"]

[Text] Samdech Norodom Sihanouk, president of Cambodia and leader of the Cambodian national resistance forces, on 23 January 1991 published an article denouncing puppets Hun Sen, Heng Samrin, and Chea Sim, Vietnam's lackeys, who have refused to let the United Nations disarm their troops and on the contrary propose a cease-fire while maintaining the status quo. The samdech's article says:

The troops of Heng Samrin, Hun Sen, and Chea Sim have hidden many weapons and ammunition. The United Nations cannot find or destroy these arms caches because they are in many secret parts of Cambodia, particularly in the jungles and mountains of the provinces adjoining the Lao-Vietnamese border. The puppet communist troops and Vietnamese troops have shelters and warehouses in Stung Treng, Preah Vihear, Kratie, Mondolkiri, Ratanakiri, Kampot, and Takeo Provinces, and so on. No one can get to these places, and Vietnam can still provide, and has the intention of continuing to provide, weapons to the Hun Sen, Heng Samrin, and Chea Sim clique.

Concerning the disarming of troops on all Cambodian sides by the United Nations, one can rely on Thailand to really stop the transport of weapons, ammunition, and war materiel into Cambodia. But the Red Vietnamese, who have refused since the 1940's to give up their strategy to annex Cambodia, will continue to violate international agreements and maintain bases, shelters, secret units, and agents and so on, in Cambodia. This is what Vietnam's lackeys in Phnom Penh are trying to conceal from the United Nations and the international community.

On the cease-fire issue, the samdech points out that:

On the one hand, there is a solution, the best, for a cease-fire, which is to gather troops and put them in garrisons and disarm all Cambodian troops; and on the other, there is the solution proposed by Phnom Penh—that is, a cease-fire with the status quo maintained. There is no diasarmament in this latter solution.

People can clearly see that a solution through maintaining the status quo only benefits the Vietnamese colonialists and their servants. In particular, this kind of solution is like dividing up Cambodia. The world realizes that dividing a country is vitally dangerous for that country, especially for Cambodia which has Vietnam as a neighbor. A cease-fire with the status quo maintained means that in zones not yet liberated the Hun Sen group and its Vietnamese masters will continue to quietly maintain the situation in which Vietnam has altered Cambodia's land and sea borders. This would benefit Vietnam, which would then continue to plunder natural resources, property, and antiquities in Cambodia and change the demographic composition in Cambodia by sending Vietnamese nationals to Cambodia and plundering Cambodian land for these settlers. Vietnam would also continue the Vietnamization policy through every means in zones not yet liberated; in other words, this is changing these zones into a second Kampuchea Kraom [former Cambodian territory now part of southern Vietnam].

In conclusion, the samdech pointed out that the document of the five permanent members of the UN Security Council and the UN secretary general should be fully implemented and unaltered. If this plan is altered or not fully implemented, there will not be genuine and long-lasting peace for the Cambodian people. The vital issue for our Cambodia is the division of the country in the period in which Vietnam transformed zones controlled by puppets Hun Sen, Heng Samrin, and Chea Sim into a second Kampuchea Kraom.

Lao Military Delegation Arrives in Phnom Penh

BK2501100191 Vientiane KPL in English 0852 GMT 25 Jan 91

[Text] Vientiane, Jan 25 (KPL)—At the invitation of the Ministry of National Defence of the State of Cambodia, Lao military delegation led by Lieutenant General Choummali Sai-gnason, candidate Politburo member of the Lao People's Revolutionary Party Central Committee and first deputy minister of national defence of the Lao People's Democratic Republic, arrived in Phnom Penh Wednesday on 4-day official friendship visit here, reports SPK.

Lieutenant General Choummali Sai-gnason and his party were welcomed by Ke Kimyan, member of the People's Revolutionary Party of Kampuchea Central Committee and first deputy minister of national defence of the State of Cambodia, Lieutenant General Soy Keo, deputy minister of national defence, and other senior officers.

Somphong Vanitsavet, charge d'affaires a.i. of the Lao Embassy in Phnom Penh, was also on hand.

Indonesia

Religious Minister Supports Stance on Gulf War

BK2501041291 Jakarta ANTARA in English 0305 GMT 25 Jan 91

[Text] Mataram, Nusa Tenggara, Jan 25 (OANA-ANTARA)—The Indonesian Government's clear stance concerning the Gulf War shows that the country is not willing to have Moslems fighting each other, Minister of Religious Affairs Munawir Sazali said here Thursday.

The recent goverment statement called for Iraqi withdrawal from Kuwait and the pulling out of the U.S.-led multinational forces from the Gulf region, the minister said in corner-stone laying ceremony starting the development of a mosque in East Lombok.

Asked about the impact of the Gulf War toward the country's haj pilgrims, the minister acknowledged that the number of haj pilgrims in the current year tended to decline as the effect of hostilities in the Persian Gulf.

Only 7000 people had registered their names up to late January and it was a drastic decrease of about 14,000 people compared with that in the same period of last year which stood at 21,000 people, he added.

However, the minister said that the government would decide whether the departure of the country's haj pilgrims would be cancelled or not by taking into account of the development of the war in the Middle East.

If the departure of haj pilgrims to Saudi Arabia was cancelled, the government would ask for advice from the Indonesian Ulemas Council (MUI), he said.

The Indonesian Government had twice cancelled the departure of haj pilgrims to Saudi Arabia in 1945 and 1949, during the period of the country's struggle for independence against the Dutch colonialist.

Present at the ceremony among others were Malaysian ambassador to Indonesia Zawawi bin Haji Muhamed, governor of West Nusa Tenggara H. Warsito and other officials.

Finance Minister on Effects of Gulf War

BK2501042091 Jakarta ANTARA in English 0306 GMT 25 Jan 91

[Text] Jakarta, Jan 25 (OANA-ANTARA)—Finance Minister J.B. Sumarlin said here late Thursday that the decline in the export of Indonesian-made products to the Middle East caused by the war in the Gulf was likely to be balanced by enhancement of export to the Asia-Pacific region.

Economies of countries in the Asia-Pacific are currently growing fast that the region has become a potential market for Indonesian products, the minister said following the installment of the Jakarta Board of the Society of Indonesian Economists (BKISEI).

Export to the region, according to Sumarlin, was [words indistinct] for ways to step up exports so that the Gulf crisis would not cause the country's foreign exchange earning to decline much.

Sumarlin in his capacity as ISEI chairman considered economists grouped in the Jakarta chapter of the society had a strategic role as they were regarded as references by other chapters in program implementations.

Perumtel, PRC Discuss Launching Satellite

BK2201040491 Jakarta ANTARA in English 0321 GMT 22 Jan 91

[Text] Bandung (West Java), Jan 21 (OANA-ANTARA)—The state- run domestic telecommunication company Perumtel and the China Great Wall Industry Corporation (CGWIC) here Monday started a negotiation on possible launching of the Indonesian telecommunication satellite Palapa B-4 with a Long March rocket, scheduled for June 1992.

The Perumtel delegation to the negotiation is led by its president director Cacuk Sudarijanto, while the Chinese 8-man delegation is headed by Tan Jinan, president director of CGWIC.

A.A. Nasution, Perumtel's director of supplies, said while opening the meeting that the negotiation was intended to seek the best way for Indonesia to launch the Palapa B-4 which would be functioning as a back-up satellite for the existing Palapa B-2R launched in the United States last year.

I hope that the five-day discussion will be running well with a good result, he added.

Chinese chief delegate Tan Jinan meanwhile also hoped that the negotiation was expected to produce satisfactory and beneficial results for the two sides.

Recently, Perumtel's president director Cacuk Sudarijanto told newsmen in Jakarta that the presence of the

Chinese rocket serves only as an alternative amid the tight competition to offer satellite launching facilities.

He conceded that using the China's rocket is more beneficial to Perumtel compared with using United States or European rockets.

If finally Perumtel decides to choose the Chinese rocket, the decision is made based only on financial consideration to save no less than 17 million U.S. dollars compared with using facility offered by the National Aeronautics and Space Administration (NASA) of the United States, Sudarijanto added.

Late last year, the Perumtel chief and entourage visited China to explore the possibility of using the Long March rocket to send Indonesia's communication satellite to its orbit.

Laos

Sali Vongkhamsao's Death Mourned at Ceremony

BK2501054491 Vientiane Domestic Service in Lao 0000 GMT 25 Jan 91

[Text] Beginning at 1600 on 24 January, the Lao People's Revolutionary Party [LPRP] Central Committee, the Supreme People's Assembly [SPA] Standing Committee, the Council of Ministers, and the Lao Front for National Construction [LFNC] Central Committee, jointly held a wreath-laying ceremony at the clubhouse of the Council of Ministers in Vientiane to express mourning for Comrade Sali Vongkhamsao, Political Bureau member of the LPRP Central Committee, vice chairman of the Council of Ministers, minister of the Economy, Planning, and Finance Ministry, and member of the SPA, who passed away from an ailment at age 66 at Central Hospital No. 1 in Vientaine on the afternoon of 23 January.

The ceremony to mourn the death of Comrade Sali Vongkhamsao and pay him a last farewell proceeded in an atmosphere of deep sorrow for the entire party and the entire Lao people. At the beginning of the ceremony, Comrade Kaysone Phomvihan, general secretary of the LPRP Central Committee and chairman of the Council of Ministers, laid a wreath to commemorate the precious, meritorious deeds and lofty virtues of Comrade Sali Vongkhamsao in contributing to the revolutionary cause of our nation and people.

Afterwards, Comrade General Secretary Kaysone Phomvihan, Comrade Souphanouvong, and Comrade Phoumi Vongvichit led party and state delegations to lay their wreaths to express mourning for Comrade Sali Vongkhamsao, to commemorate his meritorious deeds, and to express the high degree of gratitude of the party, the government, and our people to him. Later, representatives of the Council of Ministers, the Organizing Committee of the Party Central Committee, and representatives of various localities, along with representatives of the Social Welfare and War Veterans and of the Lao Red Cross organization, also laid wreaths to mourn the passing away of Comrade Sali Vongkhamsao.

Mourning for Comrade Sali Vongkhamsao will continue until 28 January.

Funeral Committee Organized

BK2401115391 Vientiane Domestic Service in Lao 0500 GMT 24 Jan 91

["Decision of the Political Bureau of the party Central Committee on the organizing of the mourning on the death of and the funeral for Comrade Sali Vongkhamsao, Political Bureau member and secretary of the party Central Committee, vice chairman of the Council of Ministers, minister of economy, planning, and finance, and member of the Supreme People's Assembly"—date not given]

[Text] To express the utmost gratitude of our party, government, and people toward Comrade Sali Vongkhamsao and to remember his virtues, Political Bureau member and secretary of the Lao People's Revolutionary Party Central Committee [LPRP CC], vice chairman of the Council of Ministers, minister of economy, planning, and finance, member of the Supreme People's Assembly [SPA], who passed away of an ailment at the Central Hospital No. 1 on 23 January 1991, the meeting jointly held by the LPRP CC, the SPA Standing Committee, the Council of Ministers, and the Lao Front for National Construction [LFNC] Central Committee has agreed:

Article 1: To organize a nationwide mourning for Comrade Sali Vongkhamsao for 5 days between 23 and 28 January 1991 during which all party and state organizations and offices at the center and in all localities throughout the country and the Lao embassies in foreign countries are to fly the national flag at half mast.

Article 2: To organize the national-level funeral for Comrade Sali Vongkhamsao.

Article 3: To appoint the national-level committee in charge of organizing the funeral with the following comrades:

1. Comrade Nouhak Phoumsavan, Political Bureau member and chairman of the SPA, as chairman;

2. Comrade Khamtai Siphandon, Political Bureau member and attached to the Secretariat of the LPRP CC and the Council of Ministers, as vice chairman;

3. Comrade Phoun Sipaseut, Political Bureau member, vice chairman of the Council of Ministers, foreign affairs minister, as member;

4. Comrade Sisavat Keobounphan, Political Bureau member and secretary of the LPRP CC, secretary of the party committee and chairman of the administrative committee of Vientiane Municipality, as member;

5. Comrade Saman Vi-gnaket, Political Bureau member and secretary of the LPRP CC, minister of education and sports, as member;

6. Comrade Oudom Khatthi-gna, Political Bureau alternate member and secretary of the LPRP CC and head of the LPRP CC Organizational Board, as member;

7. Comrade Choummali Sai-gnason, Political Bureau alternate member and secretary of the LPRP CC, and first deputy minister of national defense, as member;

8. Comrade Somlat Chanthamat, secretary of the LPRP CC and head of the LPRP CC Propaganda and Training Board, as member;

9. Comrade Maisouk Saisompheng, member of the LPRP CC, minister, and head of the office of the LPRP CC and the Council of Ministers, as member;

10. Comrade A-sang Laoli, member of the LPRP CC and minister of interior, as member;

11. Comrade Khambou Sounisai, member of the LPRP CC and minister of public health, as member;

12. Comrade Thongsing Thammavong, member of the LPRP CC and vice chairman of the SPA, as member;

13. Comrade Bolang Boualapha, member of the LPRP CC and vice chairman of the LFNC Central Committee, as member;

14. Comrade Khamsai Souphanouvong, alternate member of the LPRP CC and first deputy minister of economy, planning, and finance, as member;

15. Comrade Khamliang Phonsena, minister of social welfare and war veterans, as member;

16. Comrade Boualai Sisomvang, acting secretary of the party committee and chairman of the administrative committee of Champassak Province, as member.

Article 4. All the comrades mentioned above must be assigned with clearcut duties to perform and must coordinate with all parties and services concerned to effectively carry out their duties outlined in the decision of this meeting.

Article 5. The LPRP CC, the SPA Standing Committee, the Council of Ministers, the LFNC Central Committee, all ministries, state committees, mass organizations at the central level, municipalities, and localities throughout the country as well as all Lao missions in foreign countries are instructed to organize mourning ceremonies in accordance with the prevailing conditions and at an appropriate level.

Article 6. During the mourning period, the LPRP CC, the SPA Standing Committee, the Council of Ministers, and the LFNC Central Committee call on all multiethnic compatriots, cadres, party members, combatants, and state employees to unite with one another with a view to creating consolidated strength and to transforming our sorrow and love in Comrade Sali Vongkhamsao who has departed forever from this world into an ardent revolutionary deed in executing all tasks entrusted by the party, state, and people, thus actively fulfilling the noble obligations of good citizens toward the country and continuing to carry out the national defense and socioeconomic development tasks along the party's and state's path of restructuring.

SPA Delegation's Activities in PRC Reported

BK2501081391 Vientiane Domestic Service in Lao 0000 GMT 25 Jan 91

[Text] On 21 January Wan Li, chairman of the PRC National People's Congress [NPC] Standing Committee, received in Shenzhen a delegation of the Lao Supreme People's Assembly [SPA] led by Nouhak Phoumsavan, chairman of the Assembly. On this occasion Wan Li briefed the Lao delegation on the economic development situation in China during the last 10 years and gave views on the plan to develop the economy in the next 10 years. He said: It has been proved through actual practice that China has achieved success in implementing the reform and open-door policy. China is determined to further pursue reforms in depth while continuing to implement the policy of opening to the outside world.

Wan Li continued: China and Laos are neighboring countries whose border consists of mountain ranges and waterways, and the people of the two countries have had friendly contacts with each other since ancient times. In the past few years, following the exchanges of visits between leaders of the two countries, the bilateral understanding and friendship have been further enhanced. The relations between the two countries' leaders as well as economic and trade relations have also been expanded to another higher level.

Wan Li expressed his conviction that this visit by the Lao SPA delegation will certainly contribute to further expanding the friendly relations and cooperation between the two countries. He said: The present world situation is undergoing a great change. It is a change from an old one to a new one. China has been pursuing a foreign policy of peace, independence, and sovereignty and is willing to develop friendship relations with all countries, particularly with Third World countries, on the basis of the five principles of peaceful coexistence. China has also resolutely opposed global and regional hegemonism and has striven to safeguard world peace. We are pleased to work together with all peace-loving countries and people in the world to seek means to enable the world situation to further develop along a path beneficial to peace and stability.

After briefing Wan Li on the economic development situation in Laos, Nouhak Phoumsavan in his remarks said that through this visit to China he has seen that the friendship relations between Laos and China are very close. He said: Noteworthy is that following the exchanges of visits between Kaysone Phomvihan and Li Peng, the relations between the two countries have entered a new era. He noted that Shenzhen has recorded satisfactory achievements in economic development and that these achievements have fully proved that China's reform and open-door policy is correct.

Nouhak Phoumsavan invited Chairman Wan Li to visit Laos at an appropriate time. Wan Li accepted the invitation with pleasure.

After the meeting, Wan Li hosted a banquet in honor of the Lao SPA delegation.

Later on the evening of 23 January, Nouhak Phoumsavan said in Guangzhou, Guangdong Province that China has won successful achievements in implementing the contractual system in rural areas and that following the settlement of problems in rural areas throughout the implementation of this system, the people's stardard of living has been raised to a considerably high level. Nouhak Phoumsavan made these remarks during his meeting with Lin Ruo, chairman of the Guangdong Provincial People's Congress, at the supreme legislative organization of the province.

Nouhak Phoumsavan and the delegation ended the visit to Shenzhen—the first economic zone of China—and returned to Guangzhou on 23 January.

A further report said Nouhak Phoumsavan also visited China 23 years ago. In his visit on this occasion he viewed the great development in Guangdong Province. He said: This has reflected the great success of people of Guangdong Province in implementing the reform and open-door policy. The reform and the opening to the outside world are the aspirations of the Chinese people. In this field China has marched forward one step ahead of Laos. Laos has, therefore, learned very useful lessons from China in this field.

Lin Ruo in his return remarks expressed satisfaction over the visit by Nouhak Phoumsavan. He said: Nouhak Phoumsavan's visit is too short. If the visit were a little longer, Nouhak Phoumsavan would have a chance to view the mountainous areas, many of which are similar to those in Laos. He said: China's implementation of the reform and open-door policy has resulted in greatly developing the economy in Guangdong Province. The changes undergone in the past 11 years were even more than those in the earlier 30 years. Following the reform and the opening to the outside world, the outstanding characteristics of socialism have been promoted and expanded. He added: Countries that do not carry out reform and that refuse to open to the outside world will not be able to achieve development. Lin Ruo hailed the Lao guests' visit to Guangdong Province on this occasion. After the meeting he organized a banquet in honor of the Lao delegation.

On 24 January the Lao delegation is scheduled to visit rural enterprises in Guangzhou before proceeding to Beijing on the same day.

Further Reportage on PRC Delegation's Visit

Meets With Construction Front

BK2501095891 Vientiane KPL in English 0855 GMT 25 Jan 91

[Text] Vientiane, Jan 25 (KPL)—A consultation took place here yesterday between delegations of the Lao Front for National Construction headed by its first vice president, Bolang Boualapha, and of the Chinese People's Political Consultation Council led by its vice president, Hong Xuezhi.

The two delegations informed each other of the success in the national construction and development, especially the continuation of the implementation of the 5-year and 10-year plans worked out by the party congresses, bringing progress and prosperity to the nations and bettering people's living conditions. Having expressed satisfaction over the development of the traditional friendship between the Lao and Chinese peoples, the two sides shared the view to further develop the solidarity between the two countries.

The Chinese delegation arrived here on January 23 for a cordial visit to Laos at the invitation of the president of the Lao Front for National Construction and will return on January 30.

Meets Sisavat Keobounphan

BK2501101091 Vientiane KPL in English 0902 GMT 25 Jan 91

[Text] Vientiane, Jan 25 (KPL)—Mr. Sisavat Keobounphan, mayor of Vientiane, yesterday afternoon received here a delegation of the Chinese People's Political Consultation Council led by its vice-president, Hong Xuezhi, who is on a current visit to the Lao PDR [People's Democratic Republic] at the invitation of the Lao Front for National Construction Central Committee.

During the talks passed in a cordial atmosphere, Mr. Sisavat Keobounphan, on behalf of the Administrative Committee and the Front for National Construction of Vientiane capital, expressed his pleasure over the result of the visit of the Chinese delegation to Laos. He said the discussions served as an opportunity for the two sides to exchange good lessons and the visit was viewed as a contribution to the promotion of the friendship relations between the two countries—Laos and China.

Vietnamese Party Delegation Arrives on Visit

BK2501101291 Vientiane KPL in English 0905 GMT 25 Jan 91

[Text] Vientiane, Jan 25 (KPL)—A delegation of the Hanoi Party Committee of Vietnam led by its secretary, Pham The Giet, arrived here yesterday on a week-long visit at the invitation of the Party Committee of Vientiane capital.

On the same day, the Hanoi party delegation was received by Sisavat Keobounphan, Politburo member of the LPRP CC [Lao People's Revolutionary Party Central Committee] and secretary of the party committee of Vientiane capital. The Lao official welcomed the delegation's visit and described it as a contribution to the strengthening of the special fraternal friendship and solidarity between the two countries.

Kaysone Sends Greetings to Poland's Bielecki

BK1901131491 Vientiane KPL in English 0910 GMT 19 Jan 91

[Text] Vientiane, Jan 19 (KPL)—Kaysone Phomvihan, chairman of the Council of Ministers of the Lao PDR [Lao People's Democratic Republic], has recently sent a message of congratulations to Jan Krzysztof Bielecki, over the latter's appointment as chairman of the Council of Ministers of the Republic of Poland.

Besides extending his cordial congratulations, the Lao CM [Council of Ministers] chairman expressed conviction that the relations of friendship between Laos and Poland as well as between their people will further develop.

Philippines

Military Breaks Iraqi-Backed Terrorist Network

HK2501040191 Manila THE MANILA CHRONICLE in English 25 Jan 91 p 1

[By Manny Mogato]

[Text] Armed forces chief of staff Gen. Rodolfo Biazon said yesterday the military had broken an Iraqi-backed terrorist network in the country that allegedly had close contacts with expelled Iraqi diplomat Muwafak al-'Ani.

He said they were hunting for seven Arab terrorists reportedly belonging to a radical group of the Palestine Liberation Organization (PLO), which slipped into the country about three months ago.

"I think that we have nipped it in the bud in terms of it being a serious threat because it had been exposed," Biazon said, referring to the arrest of two Iraqi students and the deportation of Al-'Ani who had been declared persona non grata by the government.

"Although we are still searching for about two groups—one group composed of three people and the second group of four people—we may have prevented them from expanding their operations," he added.

The terrorist network, Biazon added, was exposed after the failed bombing of the US-owned Thomas Jefferson Library in Makati last Saturday. One of two Iraqi nationals, suspected to be members of the terrorist group, was killed when the bomb they were carrying exploded prematurely.

Military intelligence agents said Al-'Ani was in the car that drove the two Iraqis to the scene of Saturday's explosion. They said the car belonged to the diplomat who was the consul general and first secretary at the Iraqi embassy here.

Al-'Ani left yesterday with his wife and two sons, barely evading an arrest and deportation order issued by immigration authorities because he was not at the airport at the time the 72-hour deadline given him by the Aquino government to depart had lapsed.

In a pre-departure press conference, Al-'Ani denied his involvement in the Makati bombing incident and added he was returning to Baghdad to join the war agianst the American-led allied forces.

Al-'Ani, his wife Munjina and sons Omar, 10, and Mustapha, 8, boarded a Malaysian Airlines jetliner, which left Manila at 3:40 p.m. yesterday for Kuala Lumpur. From Kuala Lumpur, they are to take a connecting flight to the Iranian capital of Teheran from where they will start a two-day travel by car to Baghdad.

Two other Iraqi nationals—brothers Hissam and Hussam Abdul Sattar, sons of the Iraqi ambassador to Somalia—are also to be deported today for their alleged involvement in the bombing.

The National Bureau of Investigation said the brothers, both studying in Manila, were "directly involved in the (Makati) bombing" and "affiliated with an organization advocating the violent overthrow of democratic institutions."

Biazon confirmed that Hissam not only facilitated the accommodation of the Arab terrorists but also tried to generate support from local students to join mass actions against U.S. involvement in the ongoing Gulf war.

He added Hissam visited Pyongyang, North Korea, last year as the representative of the National Union of Students of the Philippines, suspected by the military as a leftist "front."

Biazon said the military has identified at least three of seven Arab terrorists still in the country. "I think we also have the names of the others but we just have to confirm their true identities."

Iraqi Brothers Still in Country

HK2501103591 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 25 Jan 91

[Text] The Iraqi brothers, ordered deported by Commission on Immigration and Deportation Chief Andrea Domingo for involvement in the Makati bombing last Saturday, have not left the country. The brothers, Husham Sattar and Hisham Sattar who were in handcuffs are still detained at the NAIA's [Ninoy Aquino International Airport] exclusion room waiting for an airplane to fly them to Jordan, then to Iraq. It was learned from an airline official that they failed to board a Malaysian airline because the Malaysian Embassy did not give a clearance. Here is the statement of Hisham Sattar and Husham Sattar:

[Begin Sattar recording in English] The time we arrive there, we'll be joining the army to fight for our country and we will fight till the end because the words surrender or capitulate are not in our dictionary. And as our leader Saddam Husayn, he taught us always that winning is our goal. We never surrender. This time, I go home first. I even promised my friends that if ever the war broke out, I will be the first to join. [passage indistinct] [end recording]

Editorial Views Gulf War, Use of Technology

HK2501055591 Manila THE MANILA CHRONICLE in English 25 Jan 91 p 4

[Editorial: "Allies Must Not Be Overconfident"]

[Text] The barrage of Scud missiles fired by Iraq at Israel and Saudi Arabia tells us a few things about the developments of the Gulf war. The first is that, contrary to the early allied claims that the raids on Iraq had destroyed most of its missile sites and its air force, its retaliatory capacity has survived the attacks and remains dangerous.

The second is thi state-of-the-art weaponry is not foolproof. Despite the amazingly sophisticated weapons systems, many of the missile launching sites and the aircraft have escaped detection by the best devices invented with Western technology. Western military analysts are puzzled about the emergence of Iraq's missile retaliation and have offered the explanation that the aircraft had been concealed in bunkers and the missiles had been fired from mobile launchers.

If these explanations are correct, then it is clear that Iraq, a Third World country, has learned much from the Vietnam War. Prior to the Gulf War, no country in the world had been more heavily bombed by the US Air Force than Vietnam and Cambodia. Despite the bombing (more bomb tonnage was dropped on Vietnam than in Europe during World War II), the Vietnamese tied down the US to a military stalemate, eventually leading to the liberation of Saigon and the withdrawal of US forces from Indochina.

This is not to suggest that Iraq is going to force the allied forces into a stalemate. The terrains in Vietnam and those in Kuwait and Iraq are different. Vietnam's jungle cover provided natural concealment for liberation guerrilla forces and their supply lines from air and land attacks. The desert terrain of the Gulf is naked to satellite surveillance.

In the Vietnam War, North Vietnamese SAMs (surface to air missiles) inflicted losses on US planes because they were deployed in launchers moved from place to place and therefore not easily detected by aerial surveillance or radars. Iraq has apparently adopted this concept in concealing its missile sites.

This shows that modern technology alone will not decide wars. War tactics is a continuum of ancient and modern technics. In the case of the Gulf war, President Saddam [Husayn] is showing that he is mixing up his tactics effectively in preventing the total destruction of Iraq's war machine.

Mr. Saddam is waging war on the political, military and psychological fronts. It is dangerous for the allies to be overconfident because of their modern armies and to underestimate Iraq's ability to fight back. Despite the technological superiority of the allied forces, the failure so far of the air raids to cripple the missile system, enabling Iraq to launch offensive action into Israel and Saudi Arabia, demonstrates that air power alone cannot win wars.

The US did not win the war in Vietnam despite the heavy bombing. The continuing raids on Iraq and Kuwait have not stopped Iraq from retaliating with its missiles. What all this means is that the war will not only be long; subsequently it will be fought on land and can then be bloody. And in all the great wars of history the score has always been settled on the ground.

Column Points Out NDF 'Shields' in Europe

HK2301041591 Manila THE MANILA CHRONICLE in English 23 Jan 91 p 4

["On the Other Hand" column by Antonio C. Abaya: "More on the NDF (National Democratic Front) Shields in Europe"]

[Text] Philippine Ambassador to Germany, Bienvenido A. Tan Jr.—recently in the news when the headless torso of an Iraqi terrorist, blown sky high by the premature explosion of a bomb, landed on the roof of his Makati residence—wrote to react to my column of Jan. 16 about the NDF [National Democratic Front] shields in Europe:

"On the whole, the Europeans...know that the various front organizations have political agenda of their own and are not really interested in a happy and peaceful country. They want to rule the Philippines and will say and do whatever has to be said and done to achieve their ends...Our more difficult problem comes from people or organizations who say or pretend to be on our side but say and do things that hurt us.

"The Tadeo case has been explained at length to the people that count...Anyone who has not made up his mind in advance should be convinced of the validity of these (court) decisions. Those who are just looking for an argument will just continue to argue...

"Do not be surprised if movements of any kind get financial support in developed counries. Where people have a lot of money, you will always find someone who will espouse and financially contribute to almost any cause...

"It is important to impress on rich and developed countries that they cannot expect the same ...standards or efficiencies in a poor country like ours that they have in theirs...

"The Bondoc project has not been halted. Our government is building the road and German funds are supporting municipal development projects in the area...A footnote to this: the Greens have lost their seats in the Bundestag. The German people do not want them anymore....

"The various (Philippine) embassies in Europe have no money to fight the propaganda war in an organized fashion. We just have to accept this as part of the financial problems of a poor country. We have other priorities that need the funds. But that does not mean we are just sitting back doing nothing.

1. Letters from people and organizations that count are answered. Of course, formletters are usually consigned to the wastebasket.

2. We have an organization of European embassies (COPEE) that without extra funding work together...Last year, COPEE sucessfully fought a European Community Parliament resolution against our government that was sneaked through without discussion. We also disseminate information about the fund scandal of the CCP-NPA [Communist Party of the Philippines-News People's Army] leadership in Europe.

The (NDF) base in Utrecht is having problems and Jose Ma. Sison has so far not been able to get his asylum status in the Netherlands.

3. Without extra funds, the Philippine Embassy in Bonn regularly publishes 'Philippine Reports' to tell the people concerned what the true picture is.

"So it is really a much better situation than the NDF would like us to believe. We could do better if we had funds, but while we wait we do what has to be done with the resources that we have." Yours truly, Bienvenido A. Tan Jr.

A Mr. E. Deboor of the Clean Clothes Campaign in the Netherlands also wrote (MANILA CHRONICLE, Jan. 19) in reaction to another column on Dec. 26, saying that "(Mr. Abaya) does not know what he is talking about and the information in his article is distorted, slanderous and malicious..."

"The campaign is initiated by a coalition of Dutch organizations, among them a national consumers association, development research institutions, women's organizations and Third World solidarity groups. To claim that these are Dutch support groups and shields of the NDF is simply absurd..." etc. etc.

I have always acknowledged that many—perhaps, even most—of the Third World solidarity groups and funding organizations that network with the NDF in Europe are made up of well-meaning but misinformed Europeans whose minds have been poisoned by the NDF against the Philippine bourgeois state.

Mr. Deboor and his group undoubtedly belong to this category. The fact that their knowledge of Philippine conditions apparently comes largely from the NDF, the KMU [1 May Movement] and the FGN (the Dutch support group), or from individuals also contaminated by the NDF, is an indication of the bias that they represent.

Well-meaning but misinformed Europeans, like Mr. Deboor and his friends, should realize that the NDF, the KMU and the FGN are not working for democratic socialism on the Dutch or Scandinavian models, but for allegedly scientific socialism on the Maoist and Stalinist models.

While it is admitted that Philippine wages are low and working conditions appalling, compared to those in Western Europe, these are not improved by burning Philippine-made garments and pressuring Dutch retailers not to sell them.

My dear Mr. Deboor, countries like South Korea, Taiwan, Hong Kong and Singapore used to have lower wages and poorer working conditions than the Philippines as recent as the late 1960s.

But as a result of their successful exports—undisturbed as they were and are by the agitprop activities of Marxist organizations like the NDF, the KMU and the FGN—they have improved their wage levels and working conditions beyond those of Southern Europe, and no doubt will raise them to the current levels of Northern Europe by the year 2000.

The Philippines will never reach levels of prosperity and social justice as long as the NDF and the KMU and other fronts are allowed to continue their disruptive activities-...and as long as well- meaning but naive people like Mr. Deboor and his Clean Clothes campaigners allow themselves to be used by the Marxists.

Aquino Speaks at Induction of New AFP Chief

HK2201052791 Quezon City Radyo ng Bayan in Tagalog 0200 GMT 22 Jan 91

[President Corazon Aquino's speech on the occasion of the command turnover of the post of the chief of staff of the Armed Forces of the Philippines' [AFP] at Camp Aguinaldo—live; in English]

[Text] General Renato de Villa, Lieutenant General Rodolfo Biazon, Speaker Mitra, Secretary Fidel Ramos, the honorable members of the Senate and of the House of Representatives, the officers, men and women of the Armed Forces of the Philippines, distinguished guests, my dear countrymen [last three words in Tagalog]:

Today we are privileged to witness the turnover of command at the highest level of the Armed Forces below the commander in chief. The occasion we are witnessing is a deeply significant one. We have succeeded in changing major commands, not only on this level, but on all levels, without disturbing the stability of the military institution.

Just recently the government merged and absorbed the civilian police and one of the strongest branches of the Armed Forces, the Philippine Constabulary, into one civilian national police force. Other major reforms are being instituted in the Armed Forces. Again without incident, without any noise or obstruction from elements within. There was a time when such changes could not even be contemplated, not only in this administration but in the one before. That time is past. A deep professionalism has taken root. The man in uniform now seeks fulfillment not in adventures against the civil authority but in the strictest and most ready obedience to that authority and the Constitution. This change toward pure professionalism we owe to the man that this ceremony honors as much as it regretfully bids him farewell.

An army, it is said, reflects the society that creates it. All its flaws and all its strength flow from that society. Its unity and its division find their roots therein. But every army, I say, takes on the character of its leaders and we need not wait on the improvement of society for the improvement of its armed forces. In General de Villa we have had the truest professional, the supreme traditionalist, at the head of the Armed Forces. We are, therefore, not surprised that the Armed Forces has demonstrated the deepest professionalism since General de Villa assumed overall command. Under the most intense pressure, on his loyalty, and with the gravest risk to the lives of his officers and men, the Armed Forces under Chief of Staff General de Villa stood fast to the flag, to the Constitution, and to the government. [applause]

Now the command passes to another. Several questions rise again. Questions about unity and continuity in the Armed Forces in the midst of change. I say the issue of unity has been settled. It was settled by the greatest trial of strength this Armed Forces has ever endured, for the trial came from within itself. The unity of the Armed Forces is not determined by the breakaway of a tiny fraction. It is shown by the steadfast loyalty of the vast majority to the government. The unity of the Armed Forces is less impaired by the repeated and vain attempts of the few to destroy it than it is strengthened by the repeated and successful attempts of the many to uphold it.

The December 1989 coup attempt with the swift isolation of the rebel forces proved the unity of the Armed Forces even as it showed exemplary courage and fidelity of the true men who stand before us today. Every turnover of the sword of command raises also the issue of continuity in the Armed Forces. That issue to my mind is likewise settled. Those who best exemplify loyalty, constitutionalism, and professionalism in that great trial of strength stand here before us. From one who stood by the government and the Constitution, the sword of command now passes to the one who fought beside him. He who gives the sword and he who takes it now strike a bond of unity and establish a stream of continuity wherein flows the highest virtues of an army: duty, honor, obedience. Together they form an unbroken chain of loyalty, courage, and command that holds the ship anchor of our democracy, a loyal, competent and professional Armed Forces.

Let us also add to these virtues the decisiveness after deliberation of these two commanders. For them it has always been fight from the word go. The firm actions taken by Generals Renato de Villa and Rodolfo Biazon against the many coup attempts and other distrubances in the past mark a similarity in command which is hereby continued.

The continuity in the character of the Armed Forces is hereby assured by the continuity in the character of the commanders. The Armed Forces tomorrow shall not lack the courage, intrepidity, and loyalty that marked its past commander and distinguish its new one. There shall be continuity also in the programs carefully tested for the improvement of the Armed Forces. The return to the basics of duty, discipline, competence. The integration of operations against the key threat groups: the communist insurgency, the MNLF [Moro National Liberation Front], and the ultra-right. The rationalization of AFP service support systems and the improvement of its logistical capabilities, and the modernization of the Armed Forces to fill the role of external defense that must devolve upon it with the changes that both we and our allies seek in our mutual defense arrangements.

These policies have proven themselves and must, therefore, be continued. The communist threat has greatly receded. The MNLF is a diminishing marginal force. The Armed Forces have turned a deaf ear to the seducements of the ultra-right and its leaders are falling one by one. There is no alterantive to the defense of the national interest other than by our country's Armed Forces themselves. In a manner of speaking, General Biazon takes the sword of command from General de Villa in midstroke. He must continue its progress towards the aims that have been identified and for the goal of greater internal security and freedom that we seek. General Biazon's tenure will be brief but it can be one of great honor. His tenure will certainly be one of very grave challenges. He assumes command at the height of the Middle East conflict whose ramifications throughout the world, the world will realize if the struggle is protracted.

We do not know where the conflict will go. We do know that the mere threat of it has plunged stronger economies than ours into deep recession. We wonder what the spread of the war may do. We pray it does not happen and hope for a swift and merciful end to the war in the Gulf. But to hope for the better we must prepare for the worst. This is what we have tried to do.

General Biazon takes an armed forces better able than ever before to meet the challenges we anticipate. In receiving a sword of command sharper and stronger than at any time in the past, General Rodolfo Biazon, chief of staff, joins us all in extending to General Renato de Villa our deep admiration and a heartfelt gratitude of our country.

And before I end, may I also pay special tribute to Mrs. Monet de Villa [applause] for her wholehearted support, not only to General de Villa, but also for our people in all of her activities with the Bigay Puso [a social service project]. I think that Mrs. Monet de Villa is truly an outstanding wife, and I hope all of the wives here present will follow closely in her footsteps. [applause]

New Armed Forces Chief Stresses External Defense

HK2201123391 Quezon City Radyo ng Bayan
in Tagalog 1000 GMT 22 Jan 91

[Text] Lieutenant General Rodolfo Biazon, new Armed Forces chief of staff, announced that the military's direction now is for the strengthening of its external defense. According to Biazon, from internal strengthening, the military will focus on its external defense by buying modern equipment and weapons. Biazon stated this in a ceremony in which General Renato de Villa, outgoing Armed Forces chief of staff, formally turned over the military leadership to him:

[Begin Biazon recording in English] The Armed Forces today entering the year 1991 pledge to review factors in its operational environment which offer opportunities that can be exploited to enhance the initial successes of the counterinsurgency campaign and the significant decline of the ultrarightist movement, a threat to national security. The Armed Forces also is pledged to the situations of demands, a more prudent resource management dictated by an austere budget to ensure that the momentum of the initial successes against the different threat groups to national security are maintained and that the campaign does not alter. At the same time, the Armed Forces will shift from that of an organization fitted for internal security operation to that of external defense mode, and plans for this must be laid. [end recording]

Biazon Says No Major Changes

HK2301064191 Manila BUSINESS WORLD in English 23 Jan 91 p 10

[By Ma. Caridad S. Bautista and reporter Anthony L. Cuaycong]

[Excerpt] New Armed Forces chief of staff Lieutenant General Rodolfo G. Biazon yesterday said he will not institute major policy changes in the AFP [Armed Forces of the Philippines] but a few amendments to existing policies may be in order.

Speaking before a command conference at Camp Aguinaldo after his inauguration, he said, for starters, the counterinsurgency campaign the operations of which will soon be supposedly turned over to the Philippine National Police (PNP), will still be the focus of the AFP, at least for the next few months.

The only difference now, he said, is the gradual conditioning of the PNP as the sole agency tasked with counterinsurgency programs.

One specific step to this direction is Gen. Biazon's plan to turn over the handling of counterinsurgency programs in urban areas, such as Metro Manila, Davao City, Baguino City and Dagupan, to the PNP.

Another area where he plans a few changes is in the "Lambat Bitag" counterinsurgency campaign of the AFP.

"Lambat Bitag" is the military's term for an offensive in an NPA [New People's Army]-infested area.

Gen. Biazon said changes in this program are inevitable because of shifts in forms of government all over the world.

"We are seeing a clear segmentation in the ideological spectrum so we have to realign our non-combat strategies. And so instead of causing misunderstanding we may even help one another in the fight against the communist movement and other threat groups in the country," he said.

The changes will be minimal, he said, because "Lambat Bitag" has been successful in the neutralization of the NPA and its support mechanisms.

He also said he will study the conceptual and structural changes that will ultimately take place with in the AFP.

"For example," he said, "our logistics system may need structural changes in order for us to prevent or eliminate areas that may be causing delinquency among the ranks."

And since external defense will shortly be the focus of the AFP, modernization of its units, especially in the Air Force and the Navy, should be under way this year. [passage ommitted]

Editorial Views 'Constitutionalist' School

HK2301040391 Manila THE MANILA CHRONICLE in English 23 Jan 91 p 4

[Editorial: "A transitional chief for AFP [Armed Forces of the Philippines]"]

[Text] The changing of the guard at the armed forces yesterday underlines the continuity, if not ascendancy, of the "constitutionalist" school in the military establishment.

The new armed forces chief of staff, General Rodolfo Biazon, essentially shares with his immediate predecessors—Generals Fidel Ramos and Renato del Villa—the view that during the crises of the post-Edsa [Epifanio de Los Santos Avenue] years, the primary responsibility of the armed forces is to ensure the survival of the constitutional processes and the legitimate government against rebellions from within the military's ranks.

General Biazon, during the several coup attempts, has demonstrated his loyalty to the constitutional processes. Without doubt, his record in the defense of the Republic is one of the main reasons why President Aquino has named him chief of staff.

The other reason why General Biazon was chosen has something to do with political convenience. The selection of chief of staff is always a contentious issue within the armed forces. General Biazon has his share of detractors within the military. Some segments saw him as divisive and, given the deep factional fissures in the military, the need for a leadership that can unify has a strong appeal.

The President could have gone into deep selection, but his option could also have provoked more controversies inside the armed forces. General Biazon's appointment followed the hierarchy and promotion ladder. Since he will be a short-lived chief of staff (he is due for retirement in April), the appointment does not disrupt the continuity of hierarchy. But his term is also transitional. His choice is a decision for stability within the military.

We cannot, therefore, expect any profound or drastic policy change under Biazon's leadership. The big change will come after him, when a younger generation of generals will take over leadership of a military searching for its role in civil society. What we can expect is that, barring any serious political crisis, for which this government is prone to create for itself, General Biazon can be expected to continue to strengthen the notion of civil supremacy over the military.

Although General Biazon has sided with the civil government during its several crises, it must not be forgotten that he has some streak of Bonapartism in him. He is not a politicized general in the way that General Ramos is, and this means that, if this government would be inept enough to lose control of events, General Biazon would not be above using military, as opposed to civil, solutions to ensure the survival of the state and to restore civil order.

Army Spokesman Assesses Anti-Insurgency Campaign

HK2401124191 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 1100 GMT 24 Jan 91

[Text] The Philippine Army [PA] is temporarily suspending some of its operations in connection with the anti-insurgency campaign. Colonel Benjamin Enrile, PA spokesman, made this assessment. The basis for this statement came from reports received from Philippine Army detachments nationwide. According to him, both the government and rebel sides are in a wait-and-see attitude, particularly the communist guerrillas. The Philippine Army continues with its combat patrols in the mountainous areas. Colonel Enrile also announced that the 14 PA officials and soldiers involved in the past coups would not be presented to the media.

Metro Police Force Reorganized for Efficiency

HK2301042191 Manila MANILA BULLETIN in English 23 Jan 91 p 5

[By Robert Requintina]

[Text] The Philippine National Police (PNP) yesterday effected a reorganization in the Metropolitan Police Force (MPF) for better operational efficiency in dealing with the present problems in the city.

PNP-NCR [National Capital Region] Director Marino L. Filart said that Maj. Gen. Cesar P. Nazareno, PNP chief, has approved the designation of Senior Superintendent Angol Quizon as the new chief of the Northern Police District (NPD), replacing Chief Superintendent Edgar Dula Torres.

Filart said Senior Superintendent Victor Tiangco, former commander of the Eastern Police District (EPD), Special Action Force (SAF), was designated EPD deputy superintendent for operations.

Tiangco's deputy in the EPDSAF, Superintendent Isidro Deyrit, was named commander of the EPDSAF.

Chief Inspector Jose Gutierrez Jr. was named commander of the CPD [Central Police District] SAF, replacing Superintendent George Alino who was assigned in the provinces.

Superintendent Ruth Galido was designated regional chief nurse of the MPF.

Chief Inspector Ronaldo Sabug, former commander of the headquarters and headquarters service group (HHSG) Military Police patrol Company, was named deputy chief of operations of the MPF.

Senior Inspector Ramon De Jesus took over as commander of the Military Police patrol Company.

Debt Panel, IMF Reach Agreement on Program

HK2501053991 Manila PHILIPPINES NEWSDAY in English 25 Jan 91 p 8

[By Ros Manlangit and Jose H. Macaspac III]

[Text] The Philippine debt panel and the International Monetary Fund mission now in the country yesterday agreed on the final framework of the country's economic stabilization program that would pave the way for the release of $700 million in contingent financing. However, the Senate, whose cooperation is required to make a go of the program, remained firmly opposed to the agreement reached with the IMF.

Finance Secretary Jesus Estanislao said in a report to President Aquino that consensus was reached on the following points:

—New revenue-generation through a temporary 9 percent import levy, enhancement of tax collection efficiency and vigorous privatization efforts.

—Deficit-reducing measures through a P [Philippine peso] 23-billion cut in the 1991 budget, adoption of new revenue measures or additional expenditure cuts in case new appropriations crop up and controls on cash release by the Department of Budget and Management and the Department of Finance.

—Gradual elimination of the Oil Price Stabilization Fund [OPSF] deficit by keeping oil prices at present market levels, keeping the P5.1-billion national budgetary support for the OPSF, laying the groundwork for eventual deregulation of oil pricing and removal of the fuel oil subsidy enjoyed by the National Power Corporation.

—Making monetary policy flexible while keeping it on a tight, steadier course.

—Structural reforms to include a new foreign investments bill, a comprehensive Tariff Code to be implemented in the next few months, immediate privatization of 298 public corporations and energy development through diverse sourcing of energy requirements.

According to Estanislao, the consensus between the debt panel and the IMF team calls for a government statement affirming its determination to enforce the budget cuts and to respect its promise to keep the P5.1-billion OPSF budgetary support.

He also asked Mrs Aquino to authorize the panel to sign the letter of intent (LOI) setting down the above economic framework for submission to the IMF board.

But even as the debt panel and the IMF mission reached an agreement, the Senate appeared determined to block the program. As of press time, Estanislao was briefing the senators in a closed-door session on the agreed framework.

The senators, who are being asked by Malacanang to pass revenue-generating measures in line with the economic stabilization program, continued to oppose the agreement however.

"This commitment is going to bring difficulties to the country," Senator Juan Ponce Enrile said.

Senator Aquino Q. Pimentel, who left in the middle of Estanislao's briefing, said: "Let them (the debt panel) defend these commitments before the people. The Senate will not be part of this."

Meanwhile, two senators, Joseph Estrada and Orlando Mercado, hit the executive department for its failure to consult the Senate before finalizing the agreement. "It is a fait accompli," Mercado said. "Everything was already set and decided even before they consulted us."

Estrada, who, together with Senate Majority Leader Teofisto Guingona earlier wrote an open letter to Estanislao demanding that he divulge the contents of the LOI, called yesterday's consultation "fake."

Senator John Osmena, on the other hand, questioned some LOI- related issues. He noted that under the LOI, the government's commitment is limited to observing "a ceiling on the outstanding OPSF balance." Therefore, he pointed out, it is not necessary to maintain local oil product prices at their present levels even if world crude prices decline since the IMF is "not adverse to our OPSF deficit but only wants us to observe a ceiling."

Earlier this week, President Aquino, citing the need to close the OPSF deficit, ruled out any possible rollback of local oil prices despite the current softening of crude costs abroad.

Osmena also hit the executive department for putting on Congress the onus of removing the controversial 9 percent import levy. Under the LOI, he said, the government has committed to phase out the levy contingent "upon the introduction of permanent revenue-raising measures."

House Opposes Fuel Price Condition

HK2201033791 Manila PHILIPPINES NEWSDAY in English 22 Jan 91 p 8

[By Mariquit Almario]

[Text] The House of Representatives is objecting to a provision in the draft letter of intent (LOI) to be submitted to the International Monetary Fund, which unconditionally disallows any rollback of local oil prices even if crude prices in the world market go down.

Speaker Ramon V. Mitra asked tthe executive department to explain its position accepting the IMF conditionality as the LOI is set to be submitted before the end of the month.

Rep. Margarito Teves (LDP [Struggle of Philippine Democrats], Negros Oriental), chairman of the House committee on economic affairs, suggested there should be "flexibility" in the IMF provision to at least allow local prices of oil to go down at certain crude prices levels.

A "trigger price" for crude should be identified under the LOI which when reached should allow local oil prices to go down, he said.

Rep. Rolando Andaya (LDP, Camarines Sur), chairman of the committee on appropriations, said the IMF provision should not be absolute since the current oil situation is "very fluid."

"We should be able to adjust accordingly. We should not tie our hands since the situation is very fluid," he aid.

Andaya also said he is "keeping an open mind" on the proposal of some senators to reinstate the P [Philippine peso] 5.1-billion allocation for the Oil Price Stabilization Fund [OPSF].

When the House approved the P134-billion General Appropriations Act for 1991, it did not include allocations for the OPSF which has a P16.5-billion deficit.

Rep. Hernando Perez (LDP, Batangas), chairman of the committee on ways and means, said "it is an unwise decision for the government" to agree to the IMF recommendation of no rollback in oil prices.

This provision, Perez said, is one of the "revenue-generating measures" being asked by the IMF before it releases a $700-million loan to the Aquino government.

He said there is "double jeopardy" in the provision since the difference expected from the scheme will be used to wipe out the OPSF deficit while the P5.1-billion OPSF allocation is also being proposed for reinstatement.

"If there is no rollback, the difference will fill up the budgetary deficit, not only the OPSF deficit. The net effect is there will be no adjustment (in local oil prices) until the government has enough funds to answer all the budgetary allocations, not only the OPSF," Perez said.

However, he said it is "really not advisable" for the government to adjust local oil prices at this time.

"Everything is very temporary. We should do it (price adjustments) after the (Gulf) war," Perez added.

Along with no rollback of local oil prices, the IMF is also asking the government to pass more bills liberalizing foreign investments and to approve the tax reform package to reduce the country's P69-billion budget deficit.

Meanwhile, Teves urged the House leadership to approve the second batch of tax reform measures which, he said, are expected to generate P25.7 billion.

The first batch, consisting of the bill granting tax amnesty for all unpaid customs duties and the bill granting tax amnesty to persons repatriating their foreign currencies, was approved by the House during its special session in December last year.

The second batch consists of:
—A bill adopting a modified gross income tax for business and professionals (expected to generate P2 billion);
—A bill seeking the use of presumptive income levels for professionals and the self-employed (P5 billion);
—A bill granting productivity incentives to field personnel of the Bureau of Internal Revenue and Bureau of Customs and computerizing the two agencies (P15 billion); and
—A bill seeking refinements in the value added tax (P3.7 billion).

Initial Disbursement $447 Million

HK2101035791 Manila BUSINESS WORLD in English 21 Jan 91 p 1

[By Alex B. Reyes]

[Text] The initial disbursement from the new standby arrangement with the International Monetary Fund will amount to $447 million, Central Bank [CB] sources told BUSINESS WORLD.

CB Governor Jose L. Cuisia, Jr. told reporters Friday between $300 million and $400 million corresponds to the IMF's contingency and compensatory financing facility, which is triggered when there are extraordinary fluctuations in the prices of export products and of oil.

Mr. Cuisia said the amount does not include an allocation for earthquake rehabilitation.

The first tranche is expected by March, after the IMF Board has discussed and approved the Philippine stabilization program during its Feb. 20 meeting.

Talks with an IMF negotiating team were concluded last week, and Finance Secretary Jesus P. Estanislao said the IMF mission will recommend to the IMF management and Board full approval and support for the Philippine program.

Mr. Estanislao told reporters last Friday the country will obtain between $700 and $760 million in loans from the IMF over the course of the 18-month program.

After the first tranche, the balance will come in six equal tranches every three months.

Mr. Estanislao, chief debt negotiator, said the first semestral review of the Philippine program is scheduled for August, when an IMF mission will return to see if the country has complied with loan conditionalities and performance criteria.

Besides the IMF funds, the country is also expecting inflows from other official donors that were linked to the Philippines coming to an agreement with the IMF.

From the World Bank, the $150 million Financial Sector Adjustment Loan [FSAL] and a $50 million Debt Management Loan will be disbursed.

From the Government of Japan, parallel financing from the Overseas Economic Cooperation Fund and the Japan Export-Import Bank for the FSAL amounting to about $300 million will also be available for a drawdown.

Government will also draw on the third tranche from commercial banks amounting to $114 million.

The commercial bank loans, delayed because of the country's inability to reach agreement with the IMF, were part of a $715 million financing package arranged in 1989 meant to finance the country's 1989-1990 economic program.

Fiscal Deficits

The new economic stabilization program, as embodied in the standby arrangement with the IMF, has, as its key objective, controlling Government's gaping fiscal deficits through a combination of deep expenditure cuts and new revenue measures, chief of which is a 9% across-the-board import levy.

Government's target is to reduce its combined deficits to about P [Philippine peso] 44 billion this year, or to a level equal to 3.7% of Gross National Product and to 2.5% in 1992. Last year, the consolidated public sector deficit totalled 5.4% of GNP.

Mr. Estanislao said real growth in Gross Domestic Product under the economic program will be slow at 2% during the first semester of this year, but will gradually accelerate in the second half; while inflation is expected to taper down to 9.5% by yearend-1991, and to 7% by end-1992.

OPSF [Oil Price Stabilization Fund]

Mr. Cuisia indicated the IMF has added another gauge to its evaluation process—a ceiling on the Oil Price Stabilization Fund [OPSF] deficit.

The objective is to cut down the consolidated public sector deficit estimated this year at P85 billion to about P45 billion or equivalent to 3.7% of the Gross National Product.

Under Friday's approved program, Mr. Cuisia said the OPSF deficit must be within manageable levels, adding that Government is still working on an acceptable cap for the deficit.

The Office of the Energy Affairs has placed the OPSF deficit at P16.3 billion as of end-December from the previous month's P16.57 billion. The deficit dropped due to the increase in fuel prices in December.

Mr. Estanislao indicated that, under then new economic program, the OPSF deficit should be wiped out by the third quarter this year. An OPSF buildup will be undertaken by Government to the tune of P11.8 billion by the first quarter.

Aquino Welcomes Japanese Loan Package

HK2301131791 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 23 Jan 91

[Text] Japan will grant a total of $638 million loans to the Philippines. This was conveyed to President Aquino by Japanese Prime Minister Toshiki Kaifu in a letter sent to Malacanang. Included in the said amount is a quick-disbursing loan of $280 million aimed at helping the Philippines cope with the effects of the Middle East crisis.

According to Kaifu, $358 million will come from the ASEAN-Japan Development Fund [AJDF]. Kaifu also said that the $280 million, which is part of the 17th yen loan package for the Philippines, will be released very soon.

Meanwhile, President Aquino expressed her thanks and gratitude to Japan for its assistance:

[Begin Aquino recording in English] I most especially welcome Japan's commitment of $358 million from the AJDF. In addition, a quick-disbursing loan of $280 million from the 17th yen loan package is a timely response on the part of your government to our efforts to cope with the adverse effects brought about by the Gulf crisis. I am aware of this extraordinary gesture made by your government in favor of the Philippines. The AJDF has been long in coming, but in view of the special account scheme adopted by the AJDF, a substantial portion of the committed amount can be released very shortly. Furthermore, the commitment of a non-project, quick- disbursing portion of the 17th yen loan package and the specification of its concrete amount even before a final decision on the entire package has been released are well worth noting. [end recording]

In the same letter, Kaifu reaffirmed Japan's support for the Philippines. He also expressed sadness over the postponement of his visit to the Philippines.

Senate Committee Cites 5 Ways To Trim Budget

HK2101034591 Manila THE MANILA CHRONICLE in English 21 Jan 91 p 3

[By Johanna Son]

[Text] The Senate committee on finance has pinpointed five ways of streamlining the 1991 budget, including the use of dormant agrarian reform funds to ease government's cash woes.

The panel is preparing amendments to the House-approved P [Philippine peso] 270.6 billion budget bill that would allow the Senate to ensure funding for crucial items, including the restoration of the P5.1-billion subsidy to the Oil Price Stabilization Fund which the House has agreed to.

The committee, chaired by Sen. Neptali Gonzales, pinpointed the ways of keeping the budget trim yet productive:

—Using P8 billion in unused agrarian reform funds to ease the cash lack.

—Requiring government financial institutions like the Philippine National Bank to share the burden of reducing the total deficit through their payment of certain amounts to the national government, which absorbed their losses.

—Cutting the outlay of offices which get funds from sources other than the annual budget bill, such as foreign aid, duty free and sweepstakes income.

—Including in the bill provisions limiting debt service payments, especially on the nuclear plant loan, or passing legislation on a debt cap.

—Endorsing an executive proposal to sell government cars.

The committee would most likely use "a combination of all these methods," and match expenses with revenues available to government, Gonzales said.

Still, the panel has yet to firm up the budget because of uncertainty over the economic picture given the Gulf war and other problems which could push down the country's GNP growth rate.

Sen. Ernesto Maceda suggested that priority be given to agriculture, defense and social services and that other sectors' funding be kept at "maintenance level."

Gonzales said the committee wants to ensure that the 1991 budget contains P10 billion for petroleum subsidy, peso countrerpart funds for foreign-assisted projects and money for the National Food Authority.

"The problem is where to cut to provide for these things," he said, adding that the chamber would pinpoint these areas once its gets an official copy of the House version of the budget.

Maceda batted for cutting portions of the budgets of the departments of tourism, public works and education because their budgets are augmented by the duty-free shops' income and releases from casino income, respectively.

The chamber's Legislative and Budget Research Monitoring Office (LBRAMO) reported that the 1991 budget was drawn up with the goal of 2.5% GNP growth, 14% inflation rate and an exchange rate of P29.5 to $1.

LBRMO director Agustin Kintanar warned senators that the projections and the budget proposal itself may have been "overtaken by events" because its assumptions were drawn up before the economic crisis.

Maceda said it may be simpler for the executive department to be more pragmatic and target instead a zero-growth scenario for this year. If government raises more revenue, Congress can then approve supplemental appropriations, he said.

Aquino Signs Acts on Rural Industrialization

HK2501052391 Manila BUSINESS WORLD in English 25 Jan 91 p 2

[Text] President Aquino yesterday signed into law Republic Acts [RA] No. 6977 and 6978 aimed at promoting rural industrialization.

RA 6977, otherwise known as the Magna Carta for Small Enterprises, "signifies anew the call for government decentralization and coordination with the private sector," Mrs Aquino said. "This is a major legislative achievement that aims to promote, develop, and assist small- and medium-scale Filipino enterprises throughout the countryside."

Finance Sec. [secretary] Jesus Estanislao and Land Bank of the Philippines [LBP] president Deogracias Vistan earlier opposed this piece of legislation.

In a letter to Executive Secretary Oscar Orbos dated 16 January, Mr Vistan said with the legislation, "we may have another Philguarantee or Masagana 99 [Government agricultural project] type of problem." He also said "there is the unrealistic assumption that there is absorptive capacity for the system to channel above P [Philippine pesos] 7 billion in the first year alone to SME. [Small and Medium-scale Enterprises]"

The LBP chief further added that "except for the DTI (Department of Trade and Industry), none of the affected groups like the GFIs (government financial institutions) and the BAP (Bankers Association of the Philippines) was part of the consultative process."

In voicing his opposition, Mr Vistan said he is trying to "avert having a law that will create another large corporation which is contrary to the streamlining and austerity measures this Administration is undertaking."

Under RA6977, a corporation capitalized with P1 billion from five GFIs will be created.

RA 6978, an act to promote rural development through the construction of irrigation projects, provides an accelerated 10-year program covering a total of 1.5 million hectares of unirrigated lands nationwide.

Mrs Aquino described RA 6978 as "a legislation of far-reaching consequences in terms of real benefits to our people," citing provisions in the measure allowing for the participation of farmer- beneficiaries of communal irrigation projects.

Ramos Warns of Effects Due to Budget Cuts

HK2501053191 Manila PHILIPPINES NEWSDAY in English 25 Jan 91 p 3

[By Ros Manlangit]

[Text] The P [Philippine peso] 2.7 billion cut made by Congress on the 1991 budget of the Department of National Defense [DND] will adversely affect the country's security strategies, Defense Secretary Fidel Ramos stressed yesterday as he appealed to the Senate to restore the proposed original outlay of P28.03 billion.

Testifying before the Senate finance subcommittee headed by Senator Ernesto Maceda, also the Senate defense committee chairman, Ramos said a reduced allocation this year for the military may reverse the winning trend in the government's counter-insurgency drive and stunt the military modernization program.

Ramos also called the budget cut as untimely in the wake of the Gulf conflict which, he said, is being anticipated to cause political, economic, social as well as security effects on the country in varying degrees.

"The probable and anticipated ramifications of the Gulf crisis cannot be ignored and should be given priority in the short-term, as our economic, social stability and political freedom are bound to be tested to their extreme limits," Ramos said as he alternated arguing for the DND budget with newly installed Armed Forces Chief Lieutenant General Rodolfo Biazon.

Ramos said he foresees a possible sharp rise in civil unrest and criminality which could be exploited in turn by extremist groups trying to bring down the government.

Among the military concerns to be affected directly by the budget cuts were the recruitment and training of 10,000 members of the Citizens Armed Force Geographical Unit (CAFGU), operational capabilities of the DND's six bureaus, the "modest" modernization plans for the Philippine Navy and Air Force, veterans benefits and the retirement gratuities for military personnel who will retire this year.

Ramos said the P2.7 billion cut meant P950 million less for the DND-AFP [Armed Forces of the Philippines] peersonal services, P894.7 million less for maintenance and operating expenses and P861.6 million less for capital outlays.

He said that the P28.03 billion DND outlay endorsed by Malacanang for 1991 have already considered the various thrusts and strategies of the defense and military establishment for the final years of the Aquino administration.

The DND chief emphasized that the budget cut may alter the pace of the counterinsurgency drive which he said is momentarily expected to enter the "strategic control" phase over all armed threats to the country's security.

Biazon also argued that the freeze in personnel hiring mandated by efforts to trim the national budget deficits must not affect the CAFGU recruitment.

From the two officers, the Maceda committee learned that more than 2,000 DND civilian personnel will be laid off this year as a cost cutting measure.

Thailand

Officials Meet Pattani Muslims on Gulf Situation

BK2501025591 Bangkok BANGKOK POST in English 25 Jan 91 p 3

[Text] Pattani—Provincial authorities met with representatives of the local Muslim community yesterday to head off any possibility of civil unrest as a result of the Gulf crisis.

The meeting with the provincial Muslim committee was chaired by Governor Pokkhrong Chindaphon.

It was prompted by reports that some Muslim students had urged Muslims in Yala and Narathiwat Provinces to actively support Iraqi President Saddam Husayn.

Most Muslims in the region believe the allied force in the Gulf is actually just the United States.

The meeting agreed that the Muslim people in the province must have it explained thoroughly that the allies also include a number of Muslim countries, including Saudi Arabia and Egypt.

The meeting also discussed a problem of Muslim people selling land to get money to go on the Haj pilgrimage to Mecca.

The Muslim committee was told to stop them from doing this because they may not be able to go because of the war.

Some Troops Withdrawn From Allied Embassies

BK2501022991 Bangkok THE NATION in English 25 Jan 91 p A4

[Text] The Supreme Command has withdrawn parts of the security forces assigned to protect foreign embassies under threat of terrorist attacks because of what sources described as a "serious logistical woe." They said the Thai security men had difficulty finding a place to relieve themselves while on duty.

Sources at Supreme Command said the forces, comprising dozens of army troops at each embassy, were scaled down following complaints that the security personnel had not been provided with toilet facilities.

"We have to recall part of our security forces for fear that they would litter all over the embassy compounds," one of the sources said half-jokingly.

At present, army troops are deployed to guard the embassies of the United States, United Kingdom, Israel and Australia, among others, as part of the security beef-up following the outbreak of the war in the Persian Gulf.

Australians Cancels Fete; Charat on Iraq Ties

BK2501020091 Bangkok THE NATION in English 25 Jan 91 pp A1, A2

[Text] The Australian Embassy has cancelled a National Day celebration scheduled for today because of the ongoing terrorist threat to Bangkok, Foreign Ministry Spokesman Sakthip Krairoek said yesterday.

The spokesman said Australian Ambassador Richard Butler told Foreign Minister Athit Urairat the function could pose a target for terrorists.

Australia was cited by the U.S. State Department last week as one of the countries whose interests in Thailand could be attacked by terrorists.

The National Day celebration was originally scheduled for 11:30 am this morning at the ambassador's residence in the Australian Embassy on South Sathorn Road. The embassy compound has been under tight security provided by heavily armed Thai troops since the terrorist warning was issued.

Butler was quoted as saying that although so far there has been no terrorist activity in Thailand, the warning could not be ignored.

Deputy Foreign Minister Charat Phuachuai yesterday denied a press report that two Iraqi diplomats had been expelled in connection with terrorist activity here.

"It is impossible Thailand has good relations with Iraq," Charat said when asked by reporters about the alleged expulsion.

The deputy minister claimed he did not know of any involvement in terrorism by Iraqi diplomats.

AGENCE FRANCE-PRESS yesterday quoted unidentified sources familiar with anti-terrorist operations here as identifying the two Bangkok-based Iraqi diplomats as Commercial Counsellor Muzir Razoki and Third Secretary Salim al-Jibouri.

The two afters were Khalid al-Obaid and Hassan Widad, believed to have come to Thailand recently after leaving Australia at the request of authorities there, the sources said.

No comment was immediately available from Thai officials or the Iraqi Embassy here.

Four suspected Middle Eastern terrorists, two Iraqi and two Jordanians have been held here since early this week while police have launched a nationwide hunt for several others, police sources said.

Highly-placed sources told THE NATION on Wednesday that the two Bangkok-based Iraqi diplomats and two Iraqi nationals had left Bangkok at the request of Thai authorities.

Opposition: Antiterror Efforts Hurt Tourism

BK2501035191 Bangkok THE NATION in English 25 Jan 91 p A4

[Text] The Opposition yesterday warned the government to not overly publicize anti-terrorist measures taken in the wake of the Gulf war because it might affect the tourism business.

Democrat MP Surin Phitsuwan, saying Thailand has been dubbed a "paradise for terrorists" because of insufficient security measures, urged the government to crack down on ordinary criminals and the proliferation of military weapons.

Surin stressed that any campaign against terrorists should not be carried out with a lot of fanfare.

He said the Opposition parties were strongly opposed to the government's response to warnings by the United States and its allies about possible terrorist attacks in Thailand.

"The response had just damaged Bangkok's image. Thais and foreigners can obviously feel the war climate around Bangkok as the anti-terrorist campaign is launched across the city," he said.

The government last Saturday announced a "48-hour countrywide alert" following a warning issued by the United States Information Service which stated that it had received a "credible threat" of possible terrorist acts in Thailand within the following two days.

The anti-terrorist campaign, which involved massive deployments of police and the Capital Bangkok Security Command to guard Western establishments, was extended after the United States later said the threat could last "several days."

The Interior Ministry on Wednesday brought in about 400 border patrol policemen to supplment the security force in Bangkok.

"This has done no good, either psychologically or physically, to Thailand," Surin said.

He quoted the governor of the Tourism Authority of Thailand as saying that about 15-20 percent of tourists had cancelled their plans to visit Thailand. Those tourists reportedly said they felt insecure because Thailand was known to be a target for terrorist acts.

Surin said tourism, which is estimated to bring in about Bt100 [baht] billion in revenue a year, was crucial to the country and any downturn would seriously affect the entire Thai economy.

He also said the country should not be unwittingly pushed to any side in the conflict in the Persian Gulf war because even a "partial" stand might have negative repercussions for the country.

Surin's Democrat Party led an opposition onslaught against Foreign Minister Athit Urairat during a recent parliamentary session. Athit was criticized for openly supporting UN resolutions against Iraq and offering to send non-combat air force technicians to Saudi Arabia to help in maintenance work.

NATION Editorial Says Gulf War No 'Jihad'

BK2501050391 Bangkok THE NATION in English 25 Jan 91 p A11

[Editorial: "Gulf War Is Not a Jihad"]

[Text] It came as a relief to Bangkok to hear on Wednesday an assurance by the Parti Islam Malaysia (PAS), Malaysia's opposition Muslim fundamentalist party, that its recruitment drive for volunteers to fight for Iraq was directed only at Malaysians and not at Muslims in southern Thailand.

PAS Information Chief Haji Subky Latiff said its campaign was limited to Malaysia and that Thailand had no reason to worry.

Haji Subky gave further assurance that PAS was not interested in encouraging any separatist sentiments among southern Thai Muslims and was more interested instead in developing Kelantan state's economic ties with Bangkok in the context and spirit of ASEAN.

Kelantan State and Pattani Province in the South have had close ties since time immemorial, with little in the way of a natural frontier separating their people. The two share a similar socio-cultural identity.

Since the Malaysian general elections last October, the northeastern Malaysian peninsular state has been led by PAS.

PAS's victory over the ruling National Front Coalition in Kelantan initially resurrected fears that the fundamentalist Islamic party might support Muslim separatist movements in the South. Previous PAS leaders, some of whom are familiar with the separatist movement through their association with Pattani religious leaders, have often in the past expressed support in their individual capacities for the southern Thai Muslims.

While we welcome PAS's stance of non-interference with Muslim communities in the South, we totally disagree with the party's perception that the Gulf War is a jihad or holy war in line with Saddam Husayn's position. The Iraqi President is illegitimately trying to bring religion on his side into his conflict with the US-led allies to obscure the fact that the conflict began with his invasion of Kuwait.

The aim of a jihad in Islam is to change what is wrong, false, unjust and un-Islamic. Thus if Islam faces a tyrannical force which suppresses the voice of the religion, then opposing this force is a form of jihad. A larger Muslim country has invaded a smaller Muslim nation and to rally to a call for a jihad under such a circumstance is absolutely ridiculous. Has the voice of Islam been muzzled? Is the multinational force in the Gulf led only by kafirs or infidels? What about the Egyptians, Syrians and Kuwaiti armed forces in Saudi Arabia? Are they non-believers?

The current jihad called for by Saudi Arabia is closer to a true jihad because, despite the forces now in eastern Saudi Arabia, the sanctity of the holy cities of Mecca and Medina are being protected from war and aggression.

Thailand's Muslim spiritual leader Chularatchamontri [Islamic Spiritual Leader] Prasoet Mohamet was right when he said on Monday the UN-sanctioned war against Iraq was a political conflict and Saddam was a political, not a spiritual leader. The spiritual leader noted that it was actually a conflict between the Arab states.

The overriding concern among Thai authorities now is how to contain the pro-Iranian Shi'a Muslim fundamentalists in the South who are fanning hatred among local Muslims for Saudi Arabia because of its participation in the allied war effort against Iraq. The agitators have passed out leaflets criticizing Riyadh at several mosques.

Chularatchamontri Prasoet agrees that these radical elements exist and he has cautioned the police not to give them too much attention for fear of giving them more reason to incite unrest. We stand behind the spiritual leaders's caution, for the Thai authorities have often dwelled on the success of past efforts to quell unrest in the South rather than address the problems of the present and future potential threats. It cannot be denied that opposition to Bangkok among the Muslims in the South comes from the unemployed and economically-disadvantaged groups. The attendant socio-economic problems have to be solved first instead of resorting to the use of force to prevent unrest.

The Muslim sabbath is today, and it is high time we pray for peace to end the Gulf War. We agree that the bombing of Iraq should stop and both parties—Iraq and the U.S.-led multinational alliance—should start negotiating for a more comprehensive peace in the Middle East. We should not forget that Iraq is a country with a rich Islamic history, one renowned for producing the best Muslim intellectuals and scholars. It now has very little time left before Saddam Husayn takes it fully into the abyss.

THAI RAT Criticizes Foreign Policy on War

BK2501104191 Bangkok THAI RAT in Thai 25 Jan 91 p 5

[Column by Pleo Si-ngoen: "'Policy' Leading to Disaster"]

[Excerpts] I have been watching the policy of the present Thai Government toward the situation in the Persian Gulf with uneasiness, because the longer it goes on, the more we lose. Without a true understanding of the situation, the country's interests may be adversely affected. Army Commander General Suchinda Khraprayun used to say about peace: "We want peace too, but it must be the kind of peace that benefits us the most."

The role which Prime Minister General Chatchai Chunhawan has allowed Foreign Minister Athit Urairat to perform so far has resulted in Thailand becoming the target of terrorism.

Furthermore, the Thai Government seems to be very proud of the honor of sharing the weal and woe with the United States. After being alerted by the United States on possible terrrorist threats, the Thai Government responded tamely by deploying police and soldiers to provide safety measures at various places, particularly the U.S. Embassy and establishments, as well as those of the allies.

This is a very large mistake, causing serious damage to the country. There is nothing wrong with the intention, but the methods of achieving the goal are "completely wrong."

At present, news has spread worldwide that Thailand is a "dangerous" country. It has caused a rapid downturn in Thailand's tourism—the business that has earned the country a massive income. [passage omitted]

What should be done on this matter is as follows:

1. There should be no massive deployments of fully-armed police and soldiers in uniform to guard various places in the city. There should be no more than two to four armed guards at each place, and they should appear as if they were performing their regular duties.

2. The supplementary policemen and soldiers at each spot should not dress in uniform. Their weapons should be neatly covered. These people should only take care of the outer areas to avoid catching the public's attention.

3. The armed guards should perform their duties inside the compound. The number of guards should depend on the discretion of each place.

4. No local policemen should be assigned to this task. They should be soldiers or border patrol police because they are keen for this kind of operation. [passage omitted]

The government must improve the country's image and publicize it, and convince the international community that Thailand is the land of peace, friendship, and safety. [passage omitted]

Concerning Foreign Minister Athit Urairat, the government must order him at once to halt the policy that has destroyed the atmosphere in the country. Chatchai must change his policy to cope with the situation in time, and all parties must keep quiet on the terrorist issue. [passage omitted]

Chatchai Defends Foreign Minister on Gulf Issue

BK2401135891 Bangkok Domestic Service in Thai 1200 GMT 24 Jan 91

[Text] Prime Minister General Chatchai Chunhawan granted an interview to reporters at Government House this afternoon. He defended the foreign minister, whose earlier comment on the Middle East was interpreted by some as binding Thailand to the warring parties and having caused Thailand to become one of the 23 countries targetted for terrorism. The prime minister said Thailand's position on the Middle East is in keeping with the UN resolutions because Thailand is a UN member. Thailand never overreacted to the situation. A large number of Thai workers in the Middle East never showed negative reactions to such a stance adopted by Thailand.

The prime minister said the Foreign Ministry was performing its duties as usual. He has always been in contact with the foreign minister. He does not want to pay attention to local criticism over the issue as long as Thailand is abiding by the UN resolution. A reporter noted that Thailand is one of several dozen countries targetted for terrorism, and this targeting has resulted in a drop in the number of tourists visiting those countries because they fear for their safety. Concerning this action, the prime minister pointed out that the decrease in tourism because of the Middle East crisis occurred in all the countries, not just Thailand. People now prefer to remain in their respective countries. The prime minister said that he himself, scheduled for visits abroad, will not leave for anywhere right now but will stay put to oversee the situation.

Asked about the deployment of policemen and troops to provide security for foreign embassies, the prime minister said the embassies had made a request for security officials, and meanwhile, the government has the duty of maintaining law and order at official installations. The security measures are meant to safeguard law and order in our country, and have nothing to do with the situation outside the country. Thailand did not send troops to help the UN forces. The country only sent teams of doctors and Red Cross officials to provide services.

North Korean Premier To Visit 29 Jan-1 Feb

BK2501065891 Bangkok Domestic Service in Thai 0530 GMT 25 Jan 91

[Text] The Foreign Ministry announced today that Yon Hyong-muk, premier of the Democratic People's Republic of Korea, and his party will make an official visit to Thailand from 29 January to 1 February 1991 at the invitation of Prime Minister General Chatchai Chunhawan.

During the visit, the DPRK premier will be granted an audience with his majesty the king and will meet with the Thai prime minister on the international situation and Thai-North Korean bilateral relations and cooperation to promote peace, stability, progress, and prosperity in Asia.

Embassy Denies Iran Giving Iraq Thai Rice

BK2501013991 Bangkok THE NATION in English 25 Jan 91 p A4

[Text] The Iranian Embassy in Bangkok yesterday dismissed as "false and baseless" a report suggesting that Iran was re-exporting rice it bought from Thailand to Iraq in violation of the UN economic embargo.

Iranian Ambassador Mohammad Mehdi Sazegara said Iran might be forced to buy rice from other sources to refute the report.

An unidentified Bangkok-based rice merchant was quoted by the ASSOCIATED PRESS as saying on Wednesday Iran had suddenly switched to ordering Thai rice in double bags, a strong indication that it was re-exporting the rice to Iraq.

It quoted him as saying double packaging was used to protect rice against heavy transportation stress, such as on the land route between Iran and Iraq.

While strongly denying the report, the ambassador said: "Such report would only damage the good relations between Thailand and Iran."

The ambassador insisted that Iran is abiding by the UN embargo on Iraq for its invasion of Kuwait.

While clarifying that the increase in the Iranian purchase of Thai rice was initiated by Thai authorities, the Iranian Embassy said in a letter to THE NATION yesterday that the report could "hamper" further trade dealing between the two countries.

The ambassador was more direct when he said "because of this report Iran will possibly switch to other sources for rice to show that we have no intention to break the embargo."

He said Iran has not yet agreed to buy rice from Thailand this year. "So how can we send rice to Iraq when we have not yet bought rice from Thailand?" he asked.

The letter blamed "irresponsible elements" for spreading the "rumours" which it said might be harmful to the growing bilateral relations between Thailand and Iran.

Sources in rice trading business also confirmed that Iran has not yet committed itself to buying additional rice from Thailand this year.

Deputy Foreign Minister Charat Phuachuai yesterday also quoted the Iranian Embassy here as denying the report.

The deputy minister said Prime Minister Chatchai Chunhawan and himself will visit Iran some time next month to strengthen relations between the two countries.

He said the ongoing war in the Persian Gulf will not disrupt the planned visit.

The two sides are expected to conclude the Thai proposal to renew the contract for Iranian oil and the Thai offer to sell more rice to the Islamic republic, according to Charat.

He said Thailand wanted to renew the 20,000-barrel-a-day oil contract, which expired at the end of last year, and offered to sell an additional 100,000 to 200,000 tonnes of high-quality rice to the 300,000-400,000 tonnes Iran currently buys each year.

Athit Urges Australia To Change Stand on Burma

BK2501035991 Bangkok THE NATION in English 25 Jan 91 p A4

[By Kunlachada Chaiphiphat]

[Text] Foreign Minister Athit Urairat yesterday urged Australia to follow Thailand in applying an "Asian" and "brotherly" approach in dealing with political problems in Burma.

The message was conveyed to Australian Ambassador to Thailand Richard Butler when he paid a courtesy call on Athit yesterday, according to Sakthip Krairoek, director-general of the Information Department.

The minister was quoted as saying that the Western approach of economic isolation did not work with countries like Burma which could withstand such economic hardship after decades-long self- imposed isolation from the outside world.

Australia should follow Thailand in applying a "brotherly" approach in helping find a peaceful solution to the political instability in Burma which should be through talks to convince the Burmese leaders to come to the right path, said Sakthip.

The envoy was quoted as saying that Athit's point of view was interesting and that he would pass the message to the Australian Government for consideration.

Athit said he wanted to see Australia and New Zealand which are in the Asia-Pacific region to help develop the countries there. The envoy in return agreed with Athit's comment and said Australia always considered itself as being part of Asia.

Australia is among other Western nations who have strongly criticized and applied economic pressure against the ruling Burmese military junta.

During the meeting, Butler also informed Athit of the latest development in the "Kangaroo Bridge" linking Thailand and Laos saying that the three countries late last month had approved the blueprint of the structure which will span the Mekong River.

Australia, according to the envoy, is currently calling a construction bidding which is expected to last two months. The building of the US$30-million project can start six months later and will be completed in 2-3 years.

Sakthip said Butler told Athit that Canberra was very pleased with the name "Kangaroo Bridge," which was given by Prime Minister Chatchai Chunhawan as it symbolized the first bridge ever to cross the international river.

Helicopter Carrier From Germany Purchased

BK2401032391 Hong Kong AFP in English 0019 GMT 24 Jan 91

[Text] Bangkok, Jan 23 (AFP)—Thailand has decided to purchase a helicopter-carrying vessel from Germany, Government Spokesman Pridiyathon Thewakun said Wednesday. The carrier, with a capacity of 16 helicopters, is worth 208 milion dollars, he said. It is to be supplied by Bremer Vulken and used to patrol Thailand's eastern seaboard, the spokesman said.

Trade Set To Expand With Vietnam, Cambodia

BK2301062591 Bangkok BANGKOK POST in English 23 Jan 91 p 3

[Text] Cabinet yesterday chose Hanoi and Phnom Penh to set up trade counsellor offices.

Thailand intends boosting trade through both cities.

During yesterday's meeting Cabinet approved the Commerce Ministry's plan to set up a commercial counsellor's office in Hanoi and an office to represent the Chamber of Commerce in Phnom Penh, said government spokesman Pridiyathon Thewakun.

Commerce Minister Amaret Sila-on said the Foreign Ministry had presented its views to the meeting on possible locations of the trade office in Vietnam, and the Cabinet had chosen Hanoi over Ho Chi Minh City.

Mr Amaret said he did not know yet who would be appointed to head the delegations.

Official appointments would take some time to materialise since the ministry had to seek approval for additional positions from the Office of Civil Service Commission, he said.

The structure and working pattern of the offices will be similar to Taiwan's trade representative office in Thailand, he said.

However, decisions on the timetable for the establishment of the offices rested with the Foreign Ministry, Mr Amaret said.

Meanwhile, Foreign Minister Athit Urairat said that his ministry had no objections to the plan, which had been approved in principle by the Cabinet.

But the Commerce Ministry would be responsible for posting and appointing personnel to the trade offices, he said.

Dr Athit said the Phnom Penh office has to be of private status and not headed by a commercial counsellor because Thailand and Cambodia do not have diplomatic relations.

Further on Trade Offices

BK2301091591 Bangkok THE NATION in English 23 Jan 91 p B12

[Text] The Cabinet yesterday approved the Commerce Ministry's proposal to establish trade offices in Hanoi and Phnom Penh.

Commerce Minister Amaret Sila-on said the trade with Vietnam and Cambodia is expected to grow significantly although official bilateral trade remains quite limited.

The presence of the two trade offices in Hanoi and Phnom Penh will help Thai investors to study Vietnamese and Cambodian markets for more profitable trading. Thai official trade links with Vietnam and Cambodia will also enhance private business and investments.

Last year, Thailand exports to Vietnam was Bt [Baht] 500 million. It imported Bt2 billion worth of goods from that country. The Hanoi trade office will provide information and coordinate with Vietnamese government agencies on Thai investment and trade there, Amaret said.

One of the areas which still need to be thrashed out between Thailand and Vietnam is the low quality rice exports. Thai government intends holding discussions with the Vietnamese officials in coming to an understanding to avoid undercutting of prices.

According to Amaret, Cambodia will export timber, gemstones and mineral resources to Thailand. Official trade statistics showed that Thailand exported goods worth Bt15 million to Cambodia in 1990 while its imports from there were worth Bt250 million.

Phnom Penh Troops Free Pilot, To Return Plane

BK2501042591 Bangkok THE NATION in English 25 Jan 91 p A4

[Text] Phnom Penh troops released a Thai army pilot yesterday, a day after his plane crashlanded in Cambodian territory about 11 kms from the Thai border opposite Prachinburi Province, a senior army officer said yesterday.

Army Secretary General Maj Gen Anuson Kritsanaserani said the released pilot is Sub Lt Prinya Chayawong who was flying the single-seat L-19 from the eastern province's Muang district to Watthana Nakhon district at 9 am on Wednesday.

Prinya got lost during the flight because he was a new pilot and the weather was cloudy, Anuson said.

He said the plane crashlanded in the Cambodian village of Don Aran in Sri Sophon Province about 11 kms from Thailand's Aranyaprathet district around 9:30. Prinya, who was slightly injured, was taken into custody by Phnom Penh troops who control the area, Anuson said.

He said the troops provided good care for the Thai pilot at their field hospital.

A source in the Burapha Task Force, which is in charge of Prachinburi, said the release came after negotiations between Thai army officers and the Phnom Penh troops.

The source added that the Cambodian troops also agreed to return the plane, which was only slightly damaged, to the Thai Army. He said the army would bring the plane back later.

New Regional Departments for Foreign Ministry

BK2501044391 Bangkok BANGKOK POST in English 25 Jan 91 p 6

[Text] Foreign Minister Athit Urairat is restructuring the Foreign Ministry, replacing the Political Affairs Department with four new departments to be responsible for specific world regions.

Some legal amendments are needed for the restructuring scheme.

But while waiting for Parliament to convene for its annual session in May when the legislative changes can be made, Dr Athit has asked senior ministry bureaucrats to proceed with the plan.

The Department of Political Affairs will be disbanded and replaced by four new departments.

These departments will handle political, economic, social and cultural affairs of four regions.

The regions are Asia and the Pacific, America, Europe, Middle East, Africa and South Asia.

This means that apart from the current director-general of the Political Affairs Department, three new director-general positions will be created.

These new positions are likely to be filled by diplomats from among the large group of "ambassadors at large" at present.

The concurrent Burmese, Vietnamese and Laotian desks within the Southeast Asian Division of the Political Affairs Department at present will be upgraded to become three separate divisions within the proposed new department that will cover the Asia-Pacific region.

The Foreign Minister said the plan has won the approval and support of senior officials, including the Permanent Secretary and his deputies, as well as directors-general and their deputies.

Dr Athit held a meeting with senior officials yesterday during which the restructuring plan was discussed.

Despite the general endorsement, Dr Athit said some "sentimental questions" could arise on the part of some bureaucrats as a result of the restructuring.

He was apparently referring to senior officials of the Political Affairs Department which will be disbanded.

The idea for geographical segregation has been around for quite some time but never implemented.

According to the Foreign Minister, all the departments tabled their plan at yesterday's meeting.

He said the dissolution of the Political Affairs Department "does not mean that the department chief is not capable."

But the department, currently headed by Director-General Sarot Chawanawirat, is so stretched with its workload that a reorganisation is necessary for greater efficiency, the minister said.

He cited developments in the Middle East as an example.

Temporary Cambodian Border Checkpoints To Open

BK2401020491 Bangkok THE NATION in English 24 Jan 91 p A4

[Text] Prachin Buri—Three border checkpoints will be opened on a temporary basis for Thai and Cambodian traders in the middle of next month in two districts of this eastern border province, an army officer said yesterday.

Col Wirachai Phruksachiwa, secretary to the Burapha Army Force, said one will be opened at Ban Klongluek in Aranyaprathet district, opposite an area under the control of Heng Samrin military forces.

Wirachai said another will be located at Ban None Makmun in Ta Phraya district, opposite an area controlled by the Kampuchean People's National Liberation Front.

The third, according to Col Wirachai, will be at Ban Khao Noi Sichomphu in Aranyaprathet, opposite an area under the Khmer Rouge.

The agreement to open the checkpoints was reached during a meeting of authorities from both countries in Prachin Buri on Jan 18, Wirachai added.

Col Wirachai said army authorities also planned to open another border checkpoint in Bo Rai district, in Trat province. He said this trading point is expected to be opened also in mid-February.

Army Commander-in-Chief Gen Suchinda Khraprayun had said more border checkpoints should be opened at the Thai-Cambodian border so that rural people can benefit from trade with their counterparts in the nieghbouring country.

Foreign Minister Receives Soviet Envoy

BK2001055491 Bangkok Domestic Service in English 0000 GMT 20 Jan 91

[Text] Thailand and the Soviet Union have agreed that both countries increase bilateral trade and Thailand will consider buying crude oil from the Soviet Union. Foreign Ministry Spokesman Sakthip Krairoek said that Soviet Ambassador to Thailand Anatoliy Valkov called on Foreign Minister Athit Urairat on Friday to discuss Thai-Soviet relations, apart from exchanging views on the Persian Gulf situation.

According to the spokesman, the Soviet ambassador informed the minister that the Soviet Union, one of the world's largest oil exporters, sells the product to many Asian countries, such as India, Vietnam, Laos, and Cambodia. The minister told the ambassador that Thailand will consider buying crude oil from the Soviet Union after a study conducted by technicians of both countries to assure that Soviet crude oil is suitable for refineries in Thailand. He also said that Thailand will consider buying more fertilizer from the Soviet Union, which also offered to sell cement to Thailand.

Cabinet Approves Replacement of Police Chief

BK2201142591 Bangkok Army Television Channel 5 in Thai 1230 GMT 22 Jan 91

[Text] In its meeting today, the cabinet agreed to transfer Police General Sawaeng Thirasawat from the post of Police Department director general to a post in the Prime Minister's Office and to appoint Deputy Police Director General Police General Sawat Amonwiwat to replace him on grounds of suitablity. Prime Minister General Chatchai Chunhawan said that the transfer was proposed by the Interior Ministry in order to improve the tasks of the Police Department and to suit the situation. The new police department director general will be given three months to prove his performance.

BANGKOK POST Correction to Israeli's Remarks

BK2501094591

Bangkok BANGKOK POST in English on 25 January publishes the following correction to the item headlined "Israeli Envoy Remarks on Iraqi Terrorism, PLO," published in the 24 January East Asia DAILY REPORT, p 48:

Column two, final paragraph on p 48, first sentence, make read: "We think the State of Palestine should never be recognized." (rewording to include the word "never")

Vietnam

Spokesman on Allegations About Troops in Cambodia

BK2401153491 Hanoi Domestic Service in Vietnamese 1430 GMT 24 Jan 91

[Text] Some foreign news reports had recently quoted the Cambodian opposition personages as accusing Vietnam of leaving tens of thousands of soldiers and millions of immigrants in Cambodia, and saying that Vietnam is seeking ways to establish an Indochinese federation. When questioned about this, the Vietnamese Foreign Ministry spokesman said that those statements are sheer fabrication that only undermines the process of seeking a solution to the Cambodian issue.

Our Foreign Ministry spokesman asserted that, with a desire to help settle promptly the Cambodian issue through a political solution, Vietnam had begun a partial withdrawal of its troops from Cambodia in 1982 and had completed the withdrawal of its volunteer troops from Cambodia in 1989.

Deputy Finance Minister Explains Income Tax Law

BK2501103991 Hanoi Domestic Service in Vietnamese 1100 GMT 24 Jan 91

[Statement by Deputy Finance Minister Phan Van Thinh on the contents of the recently introduced Income Tax Law during an interview with a station correspondent; place, date not given—recorded]

[Summary] Income taxes are direct taxes applied nearly worldwide which account for 20-30 percent of the total taxes collected in every country. The income of our people generally is low. But quite a few people now have high incomes, such as those who "are working in foreign investment enterprises and earning a monthly income of tens of millions of dong. Even cadres and workers in some domestic enterprises can now make millions of dong each month. Foreigners working in various investment enterprises in Vietnam also make U.S.$3,000-4,000 each month."

The promulgation of this income tax law is aimed at getting more budgetary revenues from those with high incomes and at implementing social justice while encouraging efforts to increase labor productivity.

Those who are subject to income taxes are "Vietnamese citizens with high incomes who are working in foreign investment enterprises, diplomatic agencies, and international organizations in Vietnam, and even Vietnamese nationals working abroad in various international organizations and Vietnam's economic and international agencies, and also foreigners with incomes originating from Vietnam."

Income is defined as "wages, post differential, position and seniority allowances, and various bonuses totalling to more than 400,000 dong per person each month with respect to Vietnamese, and to more than 800,000 dong each person each month with respect to foreigners." Other income in the forms of remittances from Vietnamese residents abroad, lottery prizes, technology transfers, and other benefits from technical and construction designs and cultural work which amount to more than 1 million dong each time must be taxed.

The following income is tax exempt: retirement pay, social welfare pension, separation pay, insurance indemnities, savings, shares and bonds, and other benefits from personal assets and heritage, and the pay of Vietnamese workers and students abroad who have already contributed their shares to their country. Moreover, in some cases, tax exemption is authorized in compliance with the international agreements with foreign countries.

"To sum up, income taxation is mainly aimed at those in high income brackets and at some irregularly earned high income above 1 million dong each time."

As for measures applied to those who inadvertantly breach the law in declaring and paying taxes, they will be served warnings or fines of up to 500,000 dong depending on the gravity of their mistakes. "Those individuals and organizations who cheat and dodge taxes will have to pay the entire amounts of taxes owed as stipulated by this law in addition to fines from one to three times the amount of the taxes involved in the cheating."

As the law will come into effect on 1 April 1991, our taxation sector has to make careful preparations for executing the law. Since the law is somewhat new to the people, we must first of all explain its fundamental contents to the people and various agencies and sectors involved, secondly we must firmly control the situation of those subject to this law, and thirdly we must grasp all the stipulations and circulars concerning how to properly collect, clearly account for, and deliver the taxes to the state treasury.

Do Muoi, Energy Sector Work on Power Supply

BK2301103791 Hanoi Domestic Service in Vietnamese 1100 GMT 22 Jan 91

[Text] Comrade Do Muoi, chairman of the Council of Ministers, recently worked with the energy sector and electricity corporation on matters concerning the production and supply of electricity to Ho Chi Minh City and various southern provinces, as well as orientations for the development of the electricity sector in the coming years.

After he was briefed by Comrade Vu Ngoc Hai, minister of energy, and Comrade Pham Van Luu, director of Electricity Corporation No. 2, on the sector's production status, Chairman Do Muoi said that the achievements by the electricity sector, especially the electricity corporation, last year were a considerable progress. The chairman, however, vehemently criticized the sector for failing to satisfactorily manage various sources of electricity, thus allowing the loss of electricity in the course of operation and the theft of electricity in the process of consumption by families.

According to reports, compared with the assigned rate, Electricity Corporation No. 1 in the north has incurred a loss or waste of more than 10 percent; the Hai Hung provincial electricity service more than 40 percent; and the Hanoi and Haiphong electricity services more than 30 percent each.

Chairman Do Muoi urged the electricity sector to strive to ensure that the rate of electricity loss is 10-12 percent, as in advanced countries. He also presented some orientations for the development of the electricity sector, throughout the country in general and the southern part in particular, in the coming years. He said:

Electricity is the key factor in socioeconomic development. Therefore, in the coming years, plans must be formulated for the development of electricity to ensure a balance between the sources of hydroelectric power and thermoelectric power and the power supply networks. Efforts must also be made to develop small hydroelectric projects and utilize other power stations, especially in areas that are far from the power supply network.

The heavy and urgent task of the electricity sector at present involves increasing the sources of electricity for the central and southern provinces and seeking all available means to muster sufficient funds for expanding the electric output by another 1 million kilowatts. Meanwhile, the sector must actively tap all sources of electricity; step up the supply of power from the north; continue the construction of the Vinh Son, Thac Mo, Ham Thuan, Ya Ly, and Song Vinh hydrolectric powerplants; expand the Tra Loc powerplant; restore the Co Quan powerplant; and install turbines at [words indistinct].

Doan Khue Visits Infantry Officer Academy No. 2

BK2501124791 Hanoi Domestic Service in Vietnamese 1400 GMT 24 Jan 91

[Text] Senior General Doan Khue, member of the party Central Committee Political Bureau, vice minister of national defense, and chief of the General Staff of the Vietnam People's Army, recently visited Infantry Officer Academy No. 2 and inspected the training work under way there.

After hearing reports from academy head Lieutenant General Le Lam Phong on the academy's performance in 1990-1991, Senior General Doan Khue inspected training field No. 4 for ground forces assault tactics, training field No. 6 for firing exercises, and the living area of the trainees of Battalions 6 and 7.

On behalf of the Ministry of National Defense, Senior General Doan Khue hailed the cadres and trainees of Infantry Officer Academy No. 2 for understanding and implementing Resolution 115 of the standing party of the military central committee with some initial improvements, and for executing the three demands in training method which were directed by the general earlier.

Cambodian Economic Delegation Begins Visit

BK2401153691 Hanoi VNA in English 1448 GMT 24 Jan 91

[Text] Hanoi VNA Jan. 24—A 13-member Cambodian Government economic delegation headed by Commerce Minister Nhim Van Da arrived here today for a five-day working visit to Vietnam at the invitation of the Vietnamese Government.

The Cambodian minister, who is also member of the Central Committee of the People's Revolutionary Party of Kampuchea, and his party were greeted at the government guest house by Vietnamese Commerce Minister Hoang Minh Thang and other high-ranking officials.

Some agreements on economic and trade cooperation between Vietnam and Cambodia are expected to be concluded.

India Marks Ho Chi Minh's Birth Centenary

BK1901092891 Hanoi VNA in English 0703 GMT 19 Jan 91

[Text] Hanoi VNA Jan. 19—A 20,000-strong meeting was held in Calcutta, India, on the afternoon of Jan. 14 to mark the birth centenary of the late Vietnamese President Ho Chi Minh and welcome General Vo Nguyen Giap, vice-chairman of the Vietnamese Council of Ministers, who is officially visiting India on this occasion.

Among those present at the meeting were Indian Prime Minister Chandra Shekhar; Chief Minister of West Bengal Jyoti Basu; and many ministers of the central and state governments.

On behalf of the Indian Government and the National Committee for the Celebration of Ho Chi Minh's Birth Centenary, Prime Minister C. Shekhar warmly welcomed General Vo Nguyen Giap and his wife and praised Ho Chi Minh's virtues, revolutionary cause and great contributions. Ho Chi Minh's thought will forever be a banner of inspiration to the nations struggling for peace and freedom the world over, Chandra Shekhar said. He also described the Vietnamese people's struggle for independence and freedom as an epic of our times.

For his part, General Vo Nguyen Giap expressed the Vietnamese people's gratitude to the Indian Government and people for their valuable support and assistance and their strong determination to further strengthen and consolidate the Vietnamese-Indian relations, thus contributing to the common struggle for independence, peace, democracy and social progress.

The same day, General Vo Nguyen Giap attended the inauguration of an exhibition on Ho Chi Minh and a week of Vietnamese films, and the unveiling of Ho Chi Minh's bronze statue in Calcutta.

Vo Nguyen Giap Attends Seminar

BK1901160591 Hanoi VNA in English 1452 GMT 19 Jan 91

[Text] Hanoi VNA Jan. 19—An international seminar titled "Ho Chi Minh, Vietnam and World Peace" has been held in Calcutta, India.

The seminar, jointly sponsored by the Indian Committee for President Ho Chi Minh's birth centenary and the government of West Bengal, was attended by Governor Rendhi, Prime Minister J. Basu of West Bengal State, and representatives of the Indian Government.

General Vo Nguyen Giap, vice chairman of the Council of Ministers, is the chief guest to the seminar.

Besides 40 delegates from research institutes of India, and social activists and scholars from Vietnam, Cambodia, the Soviet Union, China, Germany, Thailand, the United States and Japan also attended the seminar.

In his opening speech, Prime Minister J. Basu praised Ho Chi Minh's cause, virtue and humanism, and his services to the struggle for the Vietnamese and the world people's independence and freedom. He said that Ho Chi Minh's thought still remains with its original value, and continues to encourage the Vietnamese and other peoples' struggle for peace, national independence, freedom and happiness of mandkind.

Taking the floor General Vo Nguyen Giap said, among other things:

Like other symposiums on President Ho Chi Minh, held on the recommendation of UNESCO to its member countries, this one takes place against an international background full of upheavals. Many major changes have come to pass, many new concepts have emerged, many old values have been re-examined. However, as far as President Ho Chi Minh is concerned, scientists belonging to different countries and affiliations have, through the symposiums, come to a common assessment: The world has changed and will change, but Ho Chi Minh's thought will live forever in mankind's cultural treasure.

Ho Chi Minh discovered the value of independence, freedom and happiness in the objectives and ideals of scientific socialism of Marxism-Leninism. For President Ho Chi Minh, socialism is not a set of rigid dogmas, alien to the material and intellectual interests of man. He set a very concrete and practical objective for the period of transition from the people's democracy to socialism: "To make everbody well-fed, well-dressed and feel happy and free, to liberate the working people from poverty, to provide everybody with employment, welfare and a happy life." This objective is indicative of the consistency of Ho Chi Minh's thought in people's democratic revolution as well as in socialist revolution: always taking into high consideration the interests of the country and the people. One can call this socialism a socialism that makes the people rich and the country strong—a kind of socialism consonant with the country's peculiarities and the common trend of mankind.

As a part of the world community, Vietnam has been trying to make contributions to creating peace and stabilization in the region and in the world as well, promote international exchanges, normalize and promote relationships, take part in work distribution and cooperate with other countries with different political tendencies, enlist the support from them in many fields: economic managerial, scientific and technological. Meanwhile, the Vietnamese people will heighten their self-support, independent creativeness, overcome difficulties and obstacles to tide over the severe problems of the time.

In order to solve these problems, we keep on following the goals of revolution: national independence, and socialism that our late president aimed at. The Vietnamese people are stepping up an all- sided renovation across the country. We all the more understand clearly the statement of President Ho Chi Minh: "This is a grim struggle against what is old-fashioned and useless to create what is new and full of vitality. This struggle cannot come to a successful end without relying on the strength of the entire people."

Ho Chi Minh, a hero of the Vietnamese people, a loyal friend of all nations and of the progressive people all over the world, was a thinker, a sage, a social activist whose theory always matched reality. Ho Chi Minh's thought is a set of tenets that can be summarized as follows: independence and reunification for the homeland, freedom and democracy for the people, equality and happiness for everybody, peace and friendship for every nation, and the development of cultural and humanitarian relationship for the time.

The participants were unanimous in assessing President Ho Chi Minh as one of the greatest figures of the time. The seminar concluded on January 16.

Vietnam-France Friendship, Cooperation Reviewed

BK2401103491 Hanoi Domestic Service in Vietnamese 0015 GMT 24 Jan 91

[Article by Thanh Hai: "The Fruitful Years of Vietnam-France Friendship and Cooperation"]

[Summary] Since 1989, France has sent many trade and business delegations to Vietnam to make feasibility studies on French joint ventures with Vietnam. "In early 1990, the Vietnam-France joint trade committee held a conference to discuss French investment in Vietnam. Thanks to this meeting, the first agreement on oil exploitation valued at 60 million francs between the two nations was signed. Afterwards, France decided to establish 17 offices in Vietnam to take care of French trade and business activities.

"In the first six months of 1990, France exported to Vietnam a volume of goods valued at 283 million francs. It has also provided Vietnam with 39 million francs for improving communications and transportation projects, telecommunications systems, and agricultural development programs. France also gave Vietnam a volume of wheat valued at almost 5 million francs in its food aid program to countries in the world."

Besides, France also granted Vietnam 1,500 million francs for various construction projects, including the Ha Tien cement factory, the Long Son sugar factory, and the Song Ho bicycle factory, and so forth.

"In 1990, France continued to import from Vietnam such goods as porcelain, lacquer ware, embroidery and rattan products, coffee, beans, sesame, peanuts, and rubber valued at hundreds of millions of francs." In addition, France has also placed orders to buy fresh fruit, processing foods, cashew nuts and so forth from Vietnam.

In return, Vietnam has continued to import from France a large volume of spare parts for machines at the Haiphong cement factory and the Nam Dinh textile factory, other equipment for production establishments, and essential raw materials valued at several hundreds of millions of francs.

Recently, Vietnam and France have decided to invest in an important project to renovate the Metropol Hotel in Hanoi. This project has been provided with more than $9 million by the Vietnam Foreign Trade Bank and The French Banking Corporation.

Besides, Vietnam and France have also expanded cooperation in the cultural, education, postal and information fields. It can be said that 1990 was a successful year in Vietnam-France relations—the year that has created favorable conditions for better friendship and cooperation between peoples of the two nations in the days ahead.

Vietnam, Belgium Sign Cooperation Agreement

BK2401155291 Hanoi VNA in English 1450 GMT 24 Jan 91

[Text] Hanoi VNA Jan. 24—An agreement on encouragement and reciprocal protection of investment was signed here today by First Vice-Chairman of the Vietnamese State Committee for Cooperation and Foreign Investment Vo Dong Giang and the visiting Belgian Minister of Foreign Trade Robert Urbain.

The agreement between the two governments will encourage Belgian and Vietnamese companies and economic organizations to make investment in each other's country and promulgate policies to protect those projects in their respective countries.

Present at the signing ceremony were Minister Dau Ngoc Xuan, Chairman of the State Committee for Cooperation and Foreign Investment Commerce Minister Hoang Minh Thang, Deputy Foreign Minister Vu Khoan, and Belgian ambassador to Vietnam.

International Flights to Ho Chi Minh City Rise

BK2301144691 Hanoi International Service in English 1000 GMT 23 Jan 91

[Text] The Direction Board of Tan Son Nhat Airport Ho Chi Minh City has announced that despite the Gulf war, international flights, especially those from Southeast Asian countries, continue to arrive at and depart from the airport normally.

Tan Son Nhat Airport has increased its international flights on international airlines such as Bangkok, Kuala Lumpur, and Singapore by 50 percent.

Air France has also announced that its flights to Tan Son Nhat Airport remain the same with the change of its route. Now instead of passing the Gulf region, the flight would pass through Moscow.

Vietnam Airlines has also signed the contract for charter planes with Transylvania Airlines of Holland to increase international and domestic flights for passengers mostly overseas Vietnamese returning home to celebrate the lunar new year festival which falls on February 15.

'Text' of Law on Private Business Published

BK2301054391 Hanoi NHAN DAN in Vietnamese 3 Jan 91, p 2

[Text] Pursuant to Article 100 of the Constitution of the Socialist Republic of Vietnam and Article 34 of the law on organization of the National Assembly and the Council of State, on 2 January 1991, Council of State Chairman Vo Chi Cong signed an order promulgating the law on private business adopted by the SRV National Assembly on 21 December 1990. The text of the law is as follows:

To implement the multisectorial economic development strategy, promote business investment, protect the private sector's legitimate rights, and strengthen state control over business operations;

Pursuant to Article 83 of the Constitution of the Socialist Republic of Vietnam;

This law defines private business.

Chapter I

General Provisions

Article 1: Vietnamese citizens aged 18 and over are entitled to the right to set up private business establishments in accordance with the provisions of this law.

Article 2: A private business establishment is a business organization having sufficient capital to meet set capital requirements and owned by an individual person who guarantees to use all of his assets to conduct business operations.

In the context of this law, "business" means the implementation of a single project, a number of projects, or all projects of an investment plan covering production, product consumption, or service provision in the market to generate income.

Article 3: The state recognizes the private business sector's permament existence and development, its right to equal treatment before the law like other business sectors, and the legitimacy of its business operations.

Within the bounds of law, the owner of a private business establishment is entitled to the right of autonomy in business and may take the initiative in determining the appropriate forms of business transactions.

Article 4: The right of ownership of the means of production, the right of inheritance to capital and other assets, as well as other legitimate rights of the owner of a private business establishment are protected by the state.

Article 5: With the exception of a number of branches of production and occupations banned by the law, the setting up of a private business establishment covering the following branches of production and occupations must be approved by the chairman of the Council of Ministers:

1. Production and circulation of explosives, poisonous substances, and toxic chemicals.

2. Exploitation of different kinds of precious minerals.

3. Large-scale production and supply of electricity and water.

4. Manufacture of radio transmitters and postal, telecommunications, radio broadcast, television, and publishing services.

5. Sea and air transportation services.

6. Special import-export services.

7. International tourism.

Article 6: Mentally ill people, individuals under investigation for criminal acts, and persons serving prison terms are prohibited from setting up private business establishments.

Article 7: On-the-job state employees and military officers in active service with the People's Army are strictly forbidden from setting up private business establishments.

Chapter II

Seting Up, Registration, Dissolution, and Bankruptcy of Private Business Establishments.

Article 8: Individuals wishing to set up private business establishments must file applications with the people's committees in charge of issuing permits in accordance with the Council of Ministers' regulations.

Applications for private business establishments must clearly specify:

1. Applicant's full name, age, and permanent address.

2. Tentative location of the business institution.

3. Concrete business objectives and branches of production and occupations involved.

4. Starting investment capital with specific details about investment capital in Vietnamese and foreign currencies, gold, and other assets in kind.

5. Environment protection measures.

An initial business development plan must be attached to the application form.

Article 9: Following are the requirements for an eligible individual to obtain a permit for setting up a private business establishment:

1. Specific targets and branches and occupations to be covered by the business establishment and office and specific plans for business transactions.

2. Sufficient initial investment capital that suits the scale and branches and occupations to be covered by the business establishment. Initial investment capital that must be no less than the legal capital fixed by the Council of Ministers.

3. The owner of the establishment himself or the person to be hired as manager to administer business activities must possess a corresponding level of specialty that is required for a number of professions by the law.

Article 10: Upon receiving an application for the setting up of a private business establishment, the people's committee concerned must decide whether to issue a permit within 30 days. If the people's committee concerned refuses to issue a permit, it must point out clearly the reasons for doing so. In case the applicant considers the refusal to issue him a permit inappropriate, he has the right to lodge a complaint to the economic arbitration organ at the next higher level.

Article 11: Within 60 days, beginning from the day the permit is issued, the owner of a private business establishment must apply for business registration at the economic arbitration organ of the same level with the people's committee that has issued him the permit.

Documents necessary for business registration include: a permit for setting up the private business establishment concerned; a bank statement certifying the amounts of Vietnamese and foreign currencies or gold the owner of the corporation has in his current account at a bank; and a certificate from a notarian organ testifying the corresponding value between the owner's property in kind and the amount of initial investment capital that has been specified in the permit as well as in the documents verifying the office of his establishment.

In case the owner of the establishment fails to apply for businness registration within 60 days, as specified in Section 1 of this article, but still wants to establish the corporation, he must apply for a permit again. If he has logical reasons, the people's committee concerned can extend the permit for no more than 30 days.

Article 12: When applying for business registration, the name of the owner of the private business establishment concerned will be listed in the business registration file and he will be given a certificate. From that time on, he will be allowed to engage in business activities.

Within seven days, beginning from the day the business registration certificate is issued, the economic arbitration organ concerned must send copies of the certificate together with other documents of the corporation to various tax, finance, statistics, and economic and technical management agencies at the same level.

Article 13: Within 30 days, beginning from the day the business registration certificate is issued, the owner of the private business establishment—which has obtained a permit from the people's committee of a province or a city directly subordinate to the central government or from an administrative unit at equivalent level—must publish the following main points in the local and central daily papers:

1. Name and surname of the owner and name of the business establishment.

2. Office of the business establishment.

3. Targets and branches and occupations to be covered by the business establishment.

4. Initial investment capital.

5. Date of issuance of permit for setting up the business establishment, date of issuance of business registration certificate, and business registration number.

6. Date for beginning operations.

Article 14: If a private business establishment wants to set up a branch or representative office outside a province or a city where it comes under the direct jurisdiction of the central government or an administrative unit of corresponding level where its head office is located, the owner of the establishment must:

1. Seek permission from the people's committee of the relevant province or city under the direct jurisdiction of the central government or of the relevant administrative unit of corresponding level where the establishment plans to have its branch or representative office located. It must also register its business service with an economic arbitration office of the same level as stipulated in Articles 9 and 11 of this law.

2. Serve the people's committee—from which it has received the business registration license for its branch or representive office—with a written notice on setting up and opening its branch or representative office within 15 days from the date of receipt of the business registration license.

Article 15: Whenever there is a change in the objective, branch of business, initially invested capital, or other details already listed in the application for business registration license, the owner of a private business establishment concerned must notify the economic arbitration office at which he has registered his business. As for those private business establishments which have obtained their licenses from the people's committee of a province or city under the direct jurisdiction of the central government or of an administrative unit of the corresponding level, the owners of these establishments must also publish a notice in the newspapers advising of such a change.

Article 16: The owner of a private business establishment is allowed to dissolve his establishment only when he can guarantee the clearing of all debts incurred by his establishment and the settlement of those contracts already signed by his establishment.

To dissolve a business establishment, the owner of the establishment must file an application with the people's committee from which the establishment has received its operating license and must also publish a notice in local and central newspapers on the dissolution of his establishment. In the application and notice, the owner must elaborate on subsequent steps and procedures for settling assets as well as the deadline for clearing all the debts incurred and contracts already signed.

The people's committee concerned will approve the application for dissolution only if there are no complaints within 15 days after the expiration of the deadline for clearing all debts and for settling all contracts as already specified in the application for dissolution and in the press notice.

The dissolution of a business establishment will become effective only when the application for dissolution is approved.

Article 17: A private business establishment is considered to be in a state of bankruptcy if at a certain point, it has financial difficulties or operates at a loss to such an extent that the total value of its remaining assets is not sufficient to cover its debts due.

The business establishment cited in paragraph one of this article can be declared bankrupt by the economic arbitation office of the relevant province or city under the direct jurisdiction of the central government or of an administrative unit of the corresponding level—where the establishment's head office is located—in accordance with the petition to declare bankruptcy of the owner of the business establishment, with the recommendation of one or many creditors, or with a suggestion by an authoritative organ.

Steps and procedures for declaring bankcruptcy must be carried out in accordance with the law on bankruptcy.

CHAPTER III

Organization and Operation of Private Business Establishments.

Article 18: A private business establishment can be named either after its branch of business or its trade, or it can be given a proper name. On its signboard, its invoices, advertisements, reports, documents, and other business paperwork, there must be the name of the business establishment concerned together with the words "private business establishment" and the amount of its initial capital.

Article 19: Although the owner of a private business establishment may personally manage or hire another person to handle the operations of the establishment, he must still be held responsible for all the business operations of his establishment.

The owner of a business enterprise may be a plaintiff or a defendant before an economic arbitration office or before a court of law when there is a dispute or lawsuit involving his establishment.

Article 20: The initial capital of a private business establishment must be personally declared by its owner. If the capital is in the form of Vietnamese currency, foreign exchange, or gold, it shall be deposited at a bank where the owner of the business establishment has his bank account and this shall be certified by the bank concerned. If the capital is in-kind, it must be certified by a notary public.

The initial capital and other assets used by the owner of a private business establishment in his business transactions must be recorded in the establishment's accounting book.

Article 21: During its operations, the owner of a private business establishment has the right to increase his establishment's initial capital or reduce it but not lower than the level set by law. Any capital increase or reduction must be fully recorded in the establishment's accounting book.

Article 22: As specified by the law, the owner of a private business establishment has the right to:

1. Select the branches of production and occupations as well as the scope of business transactions;

2. Select the forms and ways of obtaining loans;

3. Select the clientele and establish direct contact and sign contracts with them;

4. Recruit and hire personnel to meet business demands;

5. Make use of accumulated foreign currencies at his/her discretion;

6. Decide on the use of the income left to him/her; and

7. Take the initiative in carrying out business operations already registered.

Article 23: The owner of a private business establishment has the right to lease his/her business premises. Before doing so, he/she must notify the economic arbitration organ that has issued the business registration certificate. The notification must be in writing. During the term of a lease, the lessor is still liable for the leased premises in his/her capacity as owner of the private business establishment.

Article 24: The owner of a private business establishment has the right to sell his/her business organization or merge it into other business institutions. Before doing so, he/she must notify the people's committee that has issued the permit for setting up the business establishment of the reasons for doing so. The following supporting documents must be attached to the notification:

1. Certificates from lenders indicating that the owner of the business establishment has settled all of his/her accounts and certificates from other business establishments or banking institutions acknowledging their liabilities for the debts still owed by the owner of the business establishment concerned.

2. Certificates from customers indicating that the business establishment concerned has fulfilled all of its contracts or certificates from other business establishments pledging their commitments to continue implementing the contracts signed by the business establishment concerned.

The people's committee will not approve the sale or merger of a business establishment until after a notice of sale or merger has been published in the press for three consecutive periods, five days each, but no letter of complaint has been filed against it within the next 15 days.

The sale or merger of a business establishment will not be effected until after it has been approved.

Once the sale or merger procedures have been completed, the owner of the private business establishment concerned must notify the action to the economic arbitration organ which has issued the business registration certificate so that everyone may be fully informed of the move and the name of his/her establishment may be removed from the business registration record.

Article 25: The owner of a private business establishment has the obligation to:

1. Make a correct statement of his/her business investment capital;

2. Perform business operations according to the branches of production and occupations specified in the permit for setting up a business establishment.

3. Give preference to the use of the local work force; secure the laboring people's rights defined in the labor code; and respect the trade union organizations' rights specified under the law on trade unions;

4. Meet all prescribed product quality control standards;

5. Comply with state regulations governing environmental protection, preservation of historic and cultural sites and other points of interest, and maintenance of public security and order;

6. Perform bookkeeping and final accounts settlement in accordance with the law on accounting and statistics and the financial control system; and

7. Pay taxes and fulfill other obligations defined by the law.

Chapter IV

Action Against Violations

Article 26: People who set up private business establishments without legal permits, who conduct business operations without registration or engage in branches of production or occupations other than those specified under the business registration certificates, or who violate other provisions of this law shall be subjected to administrative or penal measures depending on the seriousness of their violations.

Article 27: People who abuse their power and position to issue permits for setting up private business establishments to individuals banned from such business operations, who refuse to issue permits for setting up private business establishments or for business registration certificates to eligible applicants, who help the owners of private business establishments obtain falsified documents pertaining to their bank account balances or the values of their assets in kind, or who violate other provisions of this law shall be subjected to disciplinary or penal measures depending on the seriousness of their violations.

Chapter V

Final Clause

Article 28: This law shall take effect on 15 April 1991.

Previous provisions at variance with this law are rescinded.

Within 180 days beginning on 15 April 1991, the owners of private business establishments who have obtained permits for setting up business establishments from authoritative organs prior to this deadline shall have to complete the necessary procedures for setting up business establishments again and shall have to reapply for business registration in accordance with this law.

This law was passed by the eighth session of the Eighth National Assembly on 21 December 1990.

(Signed) Le Quang Dao, chairman of the National Assembly

EEC Group Holds Conference on SRV Repatriates

BK2501095991 Hanoi Domestic Service in Vietnamese 1100 GMT 24 Jan 91

[Text] This morning in Hanoi, the EEC delegation head held a news conference while visiting Vietnam about EEC help for Vietnam to resettle and integrate repatriates.

Speaking at the news conference, Nguyen Ky Hang, vice minister of labor, war invalids and social welfare, said that at present there are more than 120,000 Vietnamese boat people living in refugee camps in Southeast Asian countries such as Hong Kong, Malaysia, Indonesia, Thailand, and the Philippines. From March 1989, we safely received more than 7,500 people repatriating. The government at all levels is creating conditions for those people to reintegrate into the community. From November 1990, right after normalizing relations with Vietnam, the EEC proposed an international program to help repatriate and integrate Vietnamese boat people living in refugee camps who volunteer and do not object to returning to Vietnam. The aim of the program is creating jobs from a EEC credit fund through the Vietnamese banking system to help the repatriates intergrate economically and socially in Vietnam. The program also includes improving medical conditions, vocational training, and creating jobs.

The money allocated for the first stage is 1 million ECUs [European Currency Units], equal to $13 million U.S. The program initially will be carried out in three localities: Quang Ninh, Hai Phong, and Ho Chi Minh City, where there are many repatriates.

The Vietnamese Government directed the Ministry of Labor, War Invalids, and Social Welfare to be responsible for coordinating with relating sectors to implement the program.

Mr. [words indistinct], head of the EEC stressed in his speech that the plan of the program started in 1980 but was not implemented until August 1990. He also discussed the situation after the delegation's inspection, and presented more details of the program, which will be implemented in Vietnam by February this year.

Anti-AIDS Programme in Ho Chi Minh City

BK2401155691 Hanoi VNA in English 1450 GMT 23 JAn 91

[Text] Hanoi VNA Jan. 23—An anti-AIDS programme was initiated recently in Ho Chi Minh City.

Under the programme, a consultative centre which is ready to answer any phone call inquiring about AIDS and an AIDS department at the tropical disease centre will be set up. The propaganda about aids will be stepped up so as to help everybody know how to prevent the disease. Besides, mass organizations and public offices in the city will be mobilized to participate in the programme. An anti-AIDS day will be organized troughout the city.

Australia

Divers To Join Gulf Force To Clear Iraqi Mines

BK2501072891 Melbourne Overseas Service in English 0500 GMT 25 Jan 91

[Text] [Words indistinct] for Australian and allied naval ships from the threat of mines. The clearance diving team of 23 men, who have been on standby since early this month, will be based on board the supply ship Westralia, but may move to other allied ships as required. Announcing the decision Defense Minister Robert Ray said the move supplemented, but did not increase, the Australian force in the Gulf.

[Begin Ray recording] There has always been a mine danger, and we have stressed that, but recent reconnaissance suggests that there are far more mines being laid at the moment. We have noted the report that one of the Iraqi ships laying mines this morning was blown up. There are two types of mines, of course, fixed mines and floating mines. Initially there were fixed mines that happened to have [word indistinct] free that were the major danger, but we also believe there could be some floating mines now that are liberally being sown in the north Gulf. [end recording]

The diving team's duties could include recovery and disposal of mines, explosive ordnance disposal, and limited battle damage repair. Some of the team will depart on Sunday from the Royal Australian Air Force based at Richmond. Others will be picked up in Perth.

Government Sympathetic to Troops in Bougainville

BK2501075491 Melbourne Overseas Service in English 0500 GMT 25 Jan 91

[Text] The Australian prime minister, Mr. Hawke, says his government will look sympathetically at sending peacekeeping troops to Bougainville. Mr. Hawke is today meeting with Foreign Minister Senator Gareth Evans to discuss the matter.

New Zealand

Prime Minister Says Iraqi Plant 'Mothballed'

BK2501115891 Hong Kong AFP in English 1136 GMT 25 Jan 91

[Text] Auckland, New Zealand, Jan 25 (AFP)—A factory that Iraq claims made baby food but Washington says produced biological weapons was "mothballed" when a New Zealand diplomat visited it, Prime Minister Jim Bolger said here Friday. "It was in a mothballed state," Mr. Bolger said, referring to a visit to the plant by New Zealand's Ambassador to Iraq John Clarke last March.

On Wednesday Cable News Network (CNN) quoted Iraqi officials, in a censored broadcast, as saying U.S. forces had bombed the factory.

Mr. Clarke, who has returned here to brief Mr. Bolger, said he believed it was a dairy factory, and CNN quoted Iraqi officials as saying the factory made baby food. "I cannot see how a baby milk plant can be used for chemical weapons, but there could well be a way," Mr. Clarke said. This drew an angry U.S. response, with White House Spokesman Marlin Fitzwater saying it was a "production facility for biological weapons."

However, New Zealand dairy board dairy technician Malcolm Seamark Friday told Television New Zealand (TVNZ) he recognised the factory and an Iraqi dairy worker shown in the CNN report. "(The factory) had aluminium sheathing and steel girder construction, different to the normal dairy plant there which is of concrete construction," he told TVNZ. "A colleague of mine saw it in production in May 1990. It was actually canning milk powder at the time."

The report showed the back of an Iraqi wearing a jacket with the English words "baby milk factory" on it, but Mr. Seamark said the man, while wearing a jacket from the plant, was actually being filmed at another dairy factory.

New Zealand has provided much of the dairy expertise in the Gulf region.

Papua New Guinea

Namaliu Instructs Departments To Implement Accord

BK2501100391 Melbourne Overseas Service in English 0500 GMT 25 Jan 91

[Text] The prime minister of Papua New Guinea, Mr. Rabbie Namaliu, says he has directed departments and agencies of his government to make every effort to implement the principles of Honiara Declaration without delay.

The declaration was signed in the Solomon Islands capital this week by the government and the secessionists from Papua New Guinea's island of Bougainville. Mr Namaliu praised the negotiating skills of both the government and secessionist representatives in putting the accord together. In terms of the declaration, the government agreed not to send security forces to Bougainville and the Bougainville Revolutionary Army agreed to surrender its arms to members of a multinational supervisory team. Mr Namaliu said his government would fund restoration and rehabilitation programs on Bougainville, but not to the detriment of programs in other parts of the nation.